

Investor Materials

June 2018



REGIONS

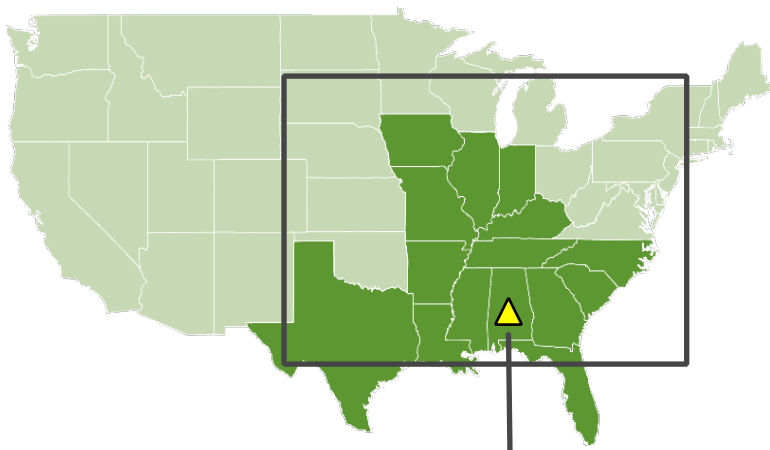
Table of contents

Topic	Page #
Profile	3-10
Net Interest Income and Asset Sensitivity	11-16
Fee Income and Efficiencies	17-20
Balance Sheet	21-27
Credit	28-30
Innovation and Technology	31-36
Capital and Liquidity	37-41
Long-term Targets and 2017 Expectations	42-45
Governance and Social Responsibility	46-48
Non-GAAP and Forward Looking Statements	49-54

PROFILE

Our banking franchise

Regions aims to be the premier regional financial institution in America



Birmingham, Alabama



Ranked 16th Nationally in Total Deposits⁽²⁾

Line of Business Coverage

- Corporate Banking
- Business Capital
- Capital Markets
- Dealer Finance
- Equipment Finance
- Government/Institutional
- Specialized Industry
- Institutional Services
- Insurance
- Private Wealth
- Real Estate Corporate Banking
- Commercial Banking

Branch Locations by State⁽¹⁾

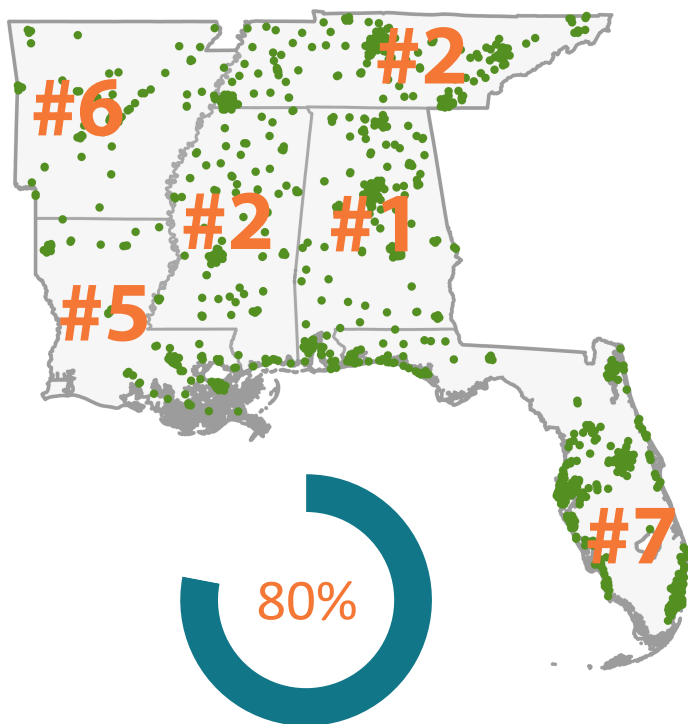
Alabama – 204	Louisiana – 98
Arkansas – 75	Mississippi – 117
Florida – 314	Missouri – 57
Georgia – 119	North Carolina – 6
Illinois – 46	South Carolina – 24
Indiana – 50	Tennessee – 210
Iowa – 8	Texas – 71
Kentucky – 11	

(1) Full Service branches as of 3/31/2018

(2) Source: SNL Financial as of 06/30/2017

Strength of our markets

Market Rank in Core States⁽¹⁾



80% of total deposits are in our core states
Alabama - Mississippi - Florida
Louisiana - Tennessee - Arkansas

High Market Share⁽¹⁾

(\$ in Billions)

Top MSAs	Deposits	Market Rank
Birmingham, AL	\$11.2	1
Nashville, TN	\$7.6	2
Tampa, FL	\$5.1	4
Memphis, TN	\$4.2	2
New Orleans, LA	\$3.1	4
Jackson, MS	\$3.0	2
Mobile, AL	\$2.3	1
Knoxville, TN	\$2.2	3
Baton Rouge, LA	\$1.9	4
Montgomery, AL	\$1.7	1

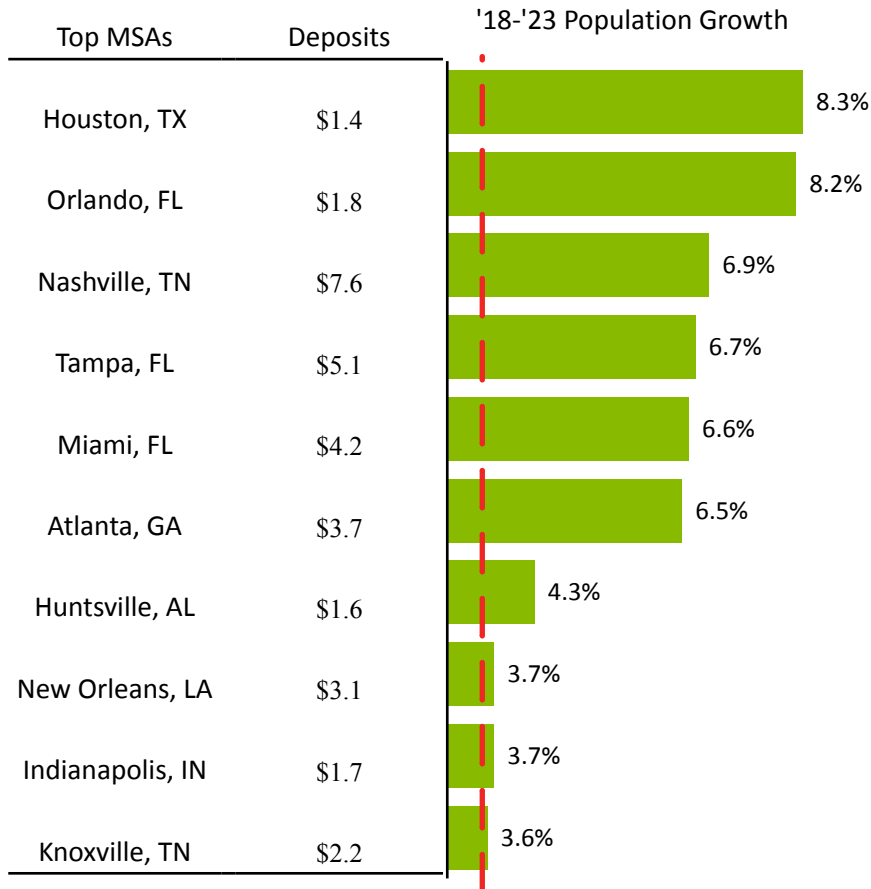
Data as of 6/30/17; Source: SNL Financial

(1) Market rank by state based on FDIC deposit data as of 6/30/17

Footprint positioning

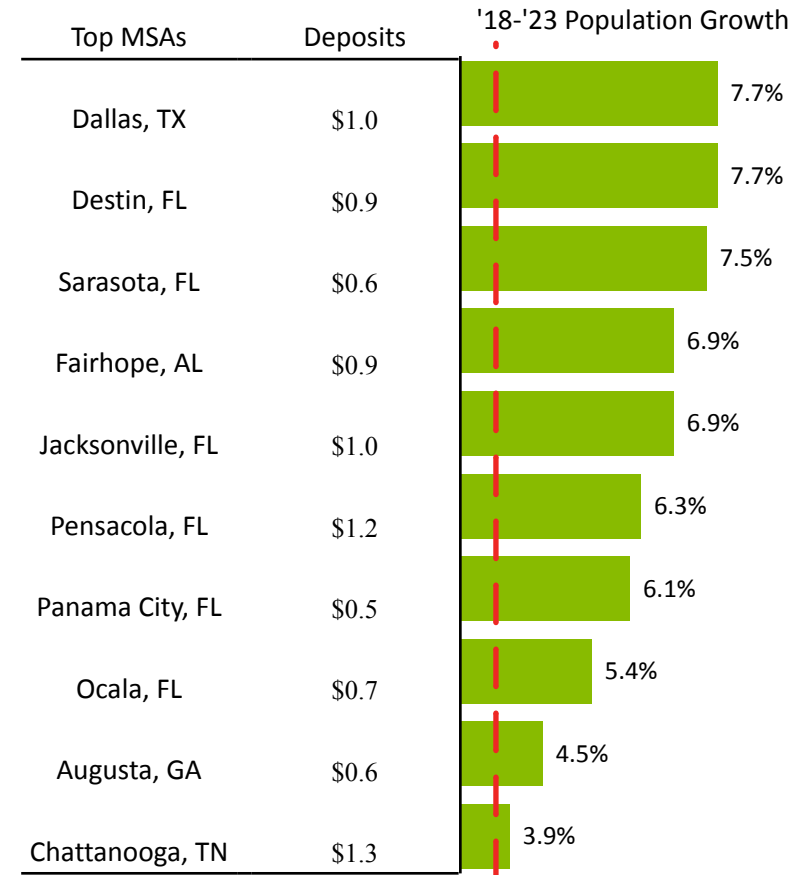
Characterized by high growth markets⁽¹⁾

(\$ in Billions)



National Average: 3.5%

(\$ in Billions)



National Average: 3.5%

Data as of 6/30/17; Source: SNL Financial

(1) FDIC deposit data as of 6/30/17

Strength of our markets - our 15 state footprint



43%

Of all new jobs created in the US since 2009 were in our footprint⁽¹⁾



61%

Of all US port trade tonnage⁽⁴⁾ traveling through ports in our footprint



58%

Of all US light vehicle production is within our footprint⁽²⁾



50%

Of non-durable goods manufacturing occurs in our footprint⁽⁵⁾



49%

Of all U.S. population growth between 2009-2017 occurred within our footprint⁽³⁾



36%

Of the total US GDP is within our footprint⁽⁵⁾

1. Source: Bureau of Labor Statistics through March 2017; Data pulled May 2, 2017
2. Source: Automotive News Light Vehicle Production by state for 2016
3. Source: U.S. Census Bureau
4. Based on Total Domestic Shipping Tonnage by state; U.S. Army Corps of Engineers, as of 2015
5. Bureau of Economic Analysis; non-durable goods is as a percent of the non-durable good subcomponent of GDP, as of 2015

Regions receives top honors

Consumer



Top 10% in Customer Experience out of 312 companies in 20 industries



Highest-rated super-regional bank in 2017 American Customer Satisfaction Index for Retail Banking



Top-rated bank in Customer Trust in 2017 Javelin Trust in Banking Study

Mortgage



Awarded the Servicer Total Achievement and Reward™ (STAR™) Performer recognition by Fannie Mae for 2017

Private Wealth



Greenwich Excellence Award for Overall Satisfaction in Private Wealth

Corporate Banking

22 Greenwich Excellence Awards for Corporate Banking Group

Workplace Award



Received the 2018 Gallup Great Workplace Award for the fourth year in a row

Strategic priorities



Strategic initiatives supporting company priorities

Grow & Diversify Revenue

Leverage Simplify & Grow

Leverage **REGIONS 360**[®] to grow customers and households and deepen existing relationships

Prudently grow non-interest income

Disciplined Expense Management

Leverage Simplify & Grow

Continuously focus on efficiency and effectiveness

Generate positive operating leverage

Optimize & Effectively Deploy Capital

Leverage Simplify & Grow

Attractive ROA and Risk Adjusted Returns

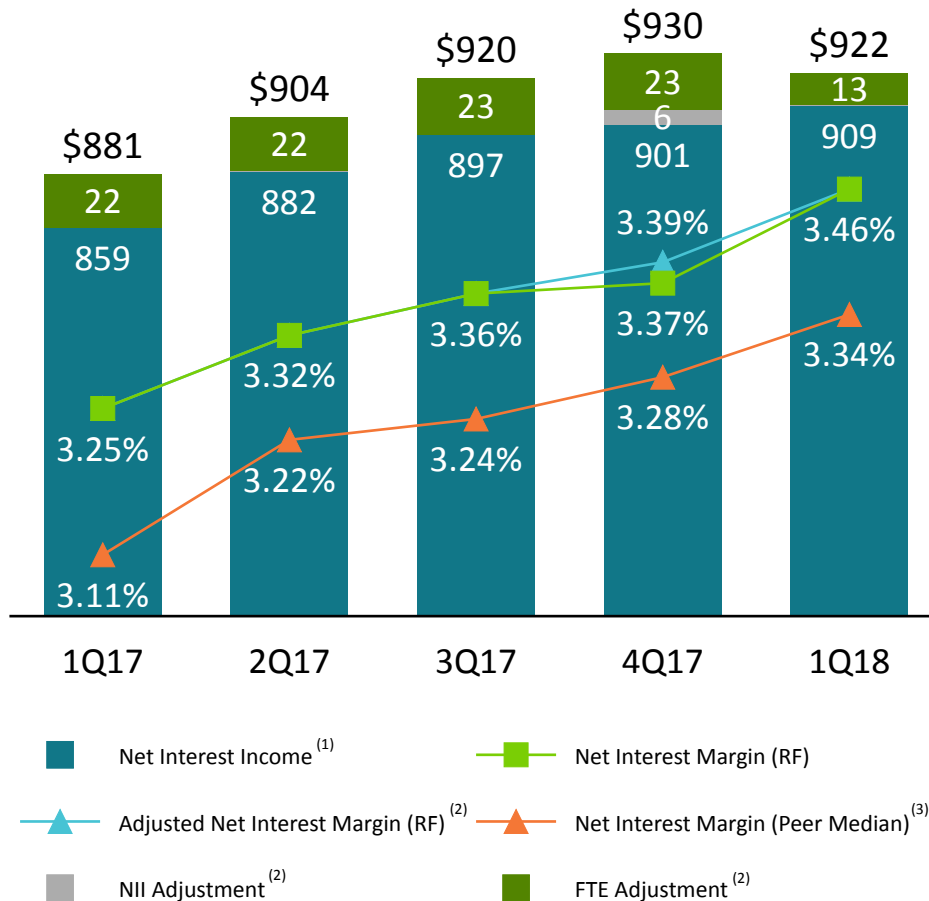
Return appropriate capital to shareholders

NET INTEREST INCOME AND ASSET SENSITIVITY

Increasing net interest income⁽¹⁾ and net interest margin

Net interest income⁽¹⁾ and net interest margin

(\$ in millions)



1Q18 Results and Outlook

- Net interest income (NII)⁽¹⁾ (non-FTE) increased \$8 million QoQ; net interest margin (NIM) +9 bps to 3.46%; adjusted NII⁽¹⁾⁽²⁾ (non-FTE) increased \$2 million; adjusted NIM⁽²⁾ +7 bps
- Both margin and income benefited from higher interest rates marginally offset by increased funding costs associated with 1Q18 opportunistic debt issuance
- NIM continues to outperform and is 12 bps above the 1Q18 peer median
- Expect 2Q18 NII⁽¹⁾ to grow reflecting full benefit of March rate increase; NIM stable to up modestly
 - One additional day in 2Q will benefit NII ~ \$5 million, but reduce NIM ~2 bps

2018 Expectations: Adjusted net interest income and other financing income (non-FTE) growth of 4% - 6%

(1) Net interest income and other financing income

(2) Non-GAAP; see appendix for reconciliation

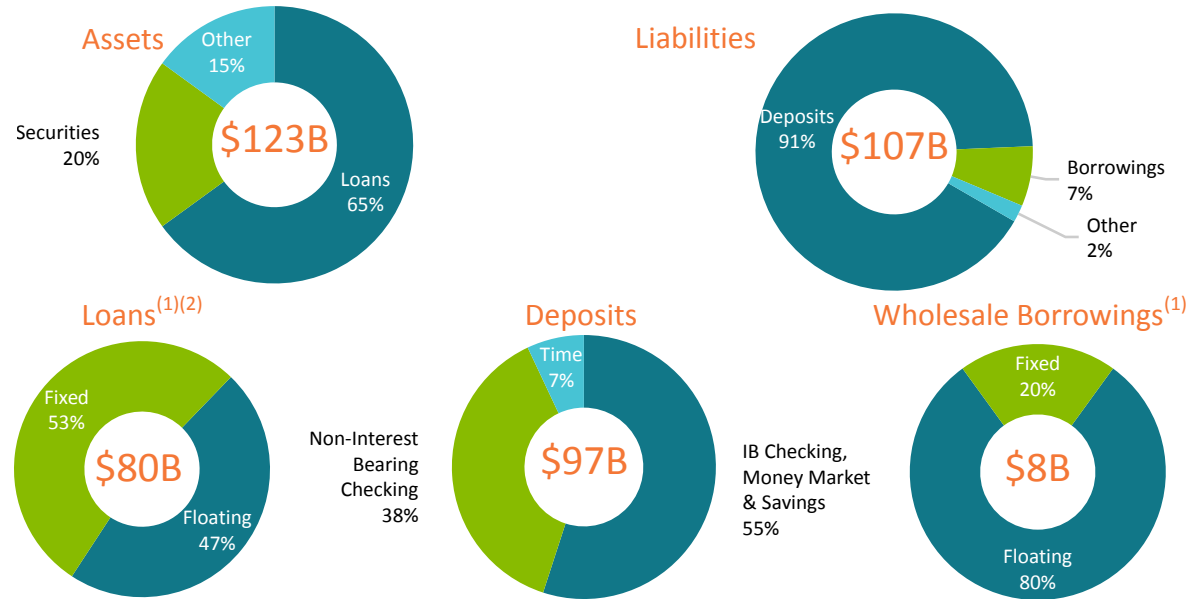
(3) Source: SNL Financial; Peer median includes BBT, CFG, CMA, FHN, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB, ZION

Interest rate risk exposure

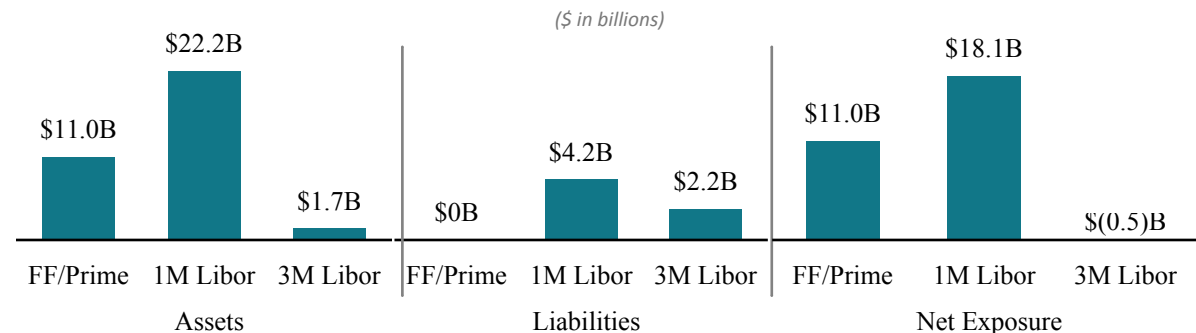
(as of March 31, 2018)

- Naturally asset sensitive balance sheet poised to benefit from rising interest rates
 - 47% of loans are floating rate, including loan hedges⁽¹⁾
 - \$29B of net contractual floating rate exposure⁽¹⁾⁽²⁾⁽³⁾
 - Middle and long-term sensitivity primarily driven by execution of fixed-rate lending strategies and reinvestment of fixed-rate securities; diminished impact from premium amortization unless rate levels decline substantially
 - Predominantly funded (~90%) by deposit franchise, comprised mostly of smaller account, consumer balances; 45% is fixed rate (non-interest bearing or time)
- Loan hedges⁽¹⁾ used at the margin to protect earnings under low rates, while allowing for NII to expand as rates rise
- Deposit betas were roughly 54% through the last cycle and 13% so far this cycle⁽⁴⁾, both at the lower end of peers

Portfolio Compositions



Contractual Floating Rate Exposure⁽¹⁾⁽²⁾⁽³⁾



(1) Including balance sheet hedges (\$7.825B receive fixed loan swaps, \$3.4B received fixed debt swaps)

(2) ARM mortgage loans are included as floating rate loans

(3) Excluding deposits, which are primarily management priced

(4) Last rising rate cycle measured from 2Q04 – 2Q07; current rising rate cycle measured from 3Q15 – 1Q18

Interest rate risk assumptions

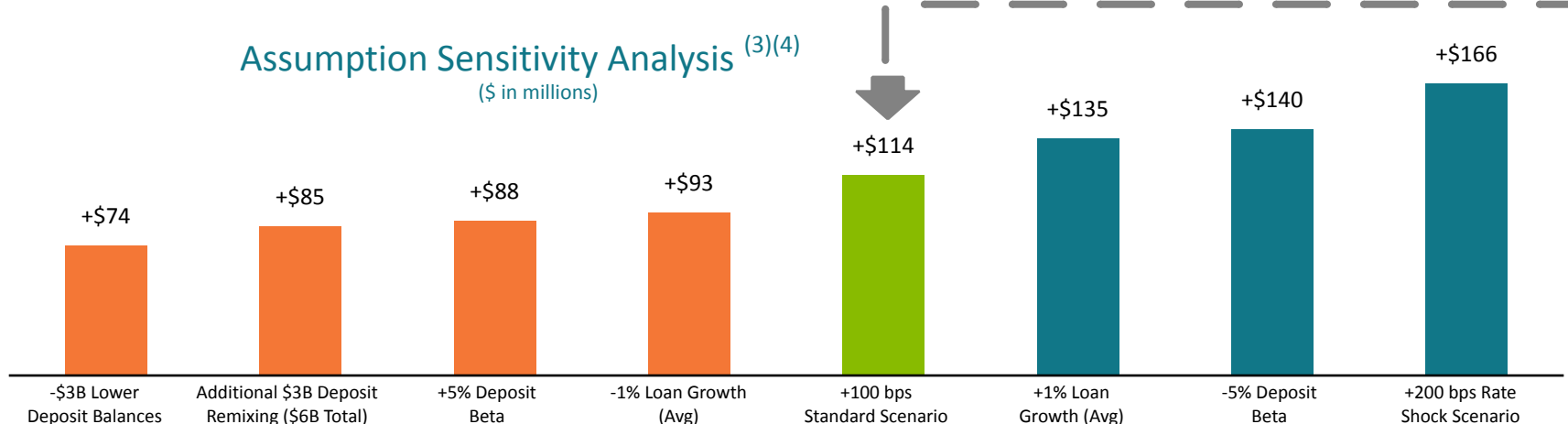
(as of March 31, 2018)

Standard Interest Rate Risk Scenario Assumptions

	Baseline Scenario	+100 bps Standard Shock Scenario
Market Interest Rates	Current implied forward rates	+100bps parallel, instantaneous shock applied to current implied forward rates
Loan Balance Growth	Full year adjusted average loans expected to grow low single digits ⁽¹⁾	Full year adjusted average loans expected to grow low single digits ⁽¹⁾
Deposit Balance Growth/ Mix	Full year average deposits expected to grow low single digits ⁽²⁾	Full year average deposits expected to grow low single digits ⁽²⁾ ; ~\$3B ending remixing from Non-Int Bearing to Time (consistent with historical observations)
New Business Loan Spreads	Stable at current levels	Stable at current levels
Deposit Re-pricing Betas	Increasing in 2018 to a full year beta of ~35% ⁽⁵⁾	Ramp up from ~40% to ~60% (non-linear model based on history; higher end of range occurring in large rate shocks >+100bps over longer time horizon >12mo)
2018 Full Year NII Growth	4% - 6%	Baseline Scenario +\$114mm

Assumption Sensitivity Analysis ⁽³⁾⁽⁴⁾

(\$ in millions)



(1) Growth expectations exclude the impact of third-party indirect-vehicle portfolio and sale of residential mortgage loans in 1Q18

(2) Growth expectations exclude the impact of brokered and Wealth Institutional Services deposits

(3) Impacts of stresses to standard shock scenario are applied independently; not cumulative

(4) Including balance sheet hedges (\$7.825B receive fixed loan swaps, \$3.4B received fixed debt swaps)

(5) Deposit beta utilizes 4Q17 rates as a starting point

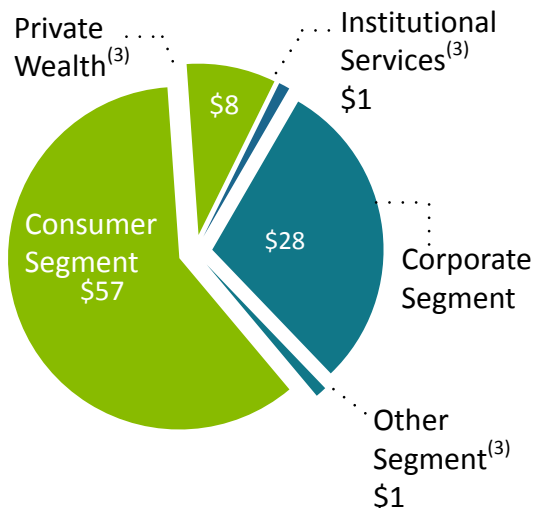
Deposit advantage

Expected to continue

Deposits by Customer Type⁽¹⁾

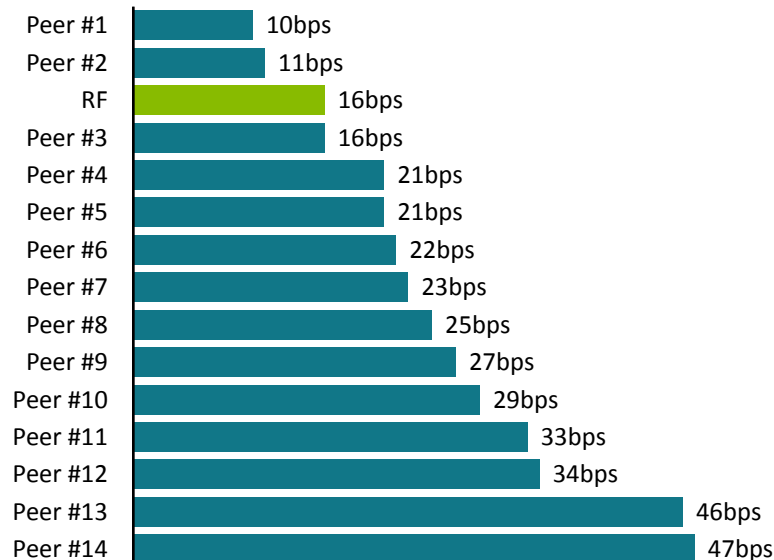
(Retail vs. Business)

1Q18, (\$ in billions)



- Retail deposits consist of consumer and private wealth accounts and represent 68% of total deposits
- Business deposits consist of corporate, institutional and other accounts and represent 32% of total deposits
- 37% of total average 1Q18 deposits are non-interest bearing deposits

1Q18 vs. 3Q15 Change in Interest Bearing Deposit Costs⁽²⁾



- Over 45% of our consumer low-cost deposit dollars have been customers for over 10 years
- Through the current rising interest rate cycle, total cumulative deposit betas of only 13%
 - Cumulative consumer retail deposit betas near zero
 - Cumulative commercial deposit betas ~39%

2018 Expectations: Full-year average deposits expected to grow in the low single digits, excluding brokered and Wealth Institutional Services deposits⁽³⁾.

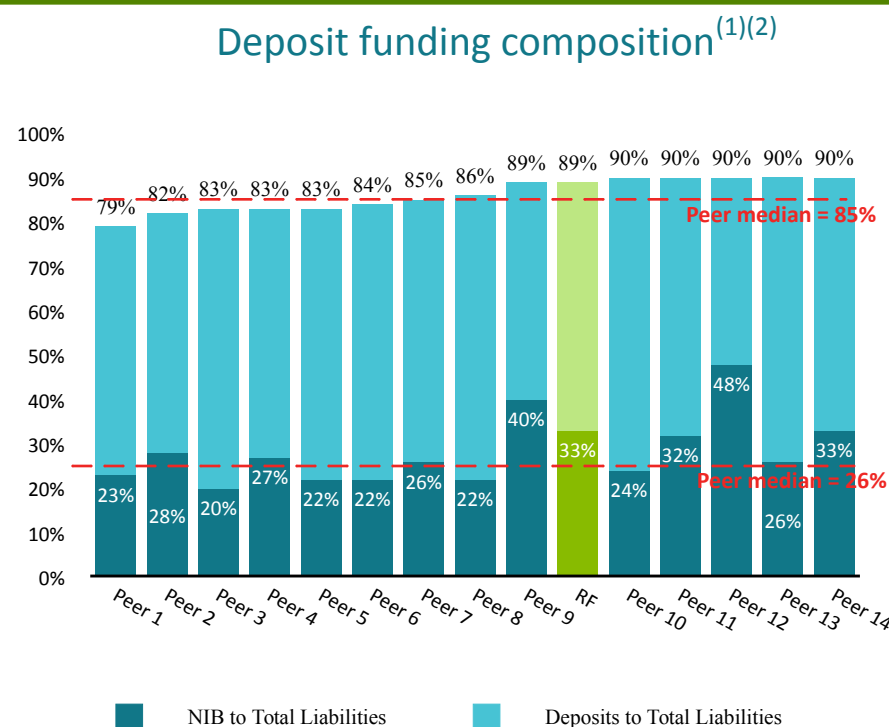
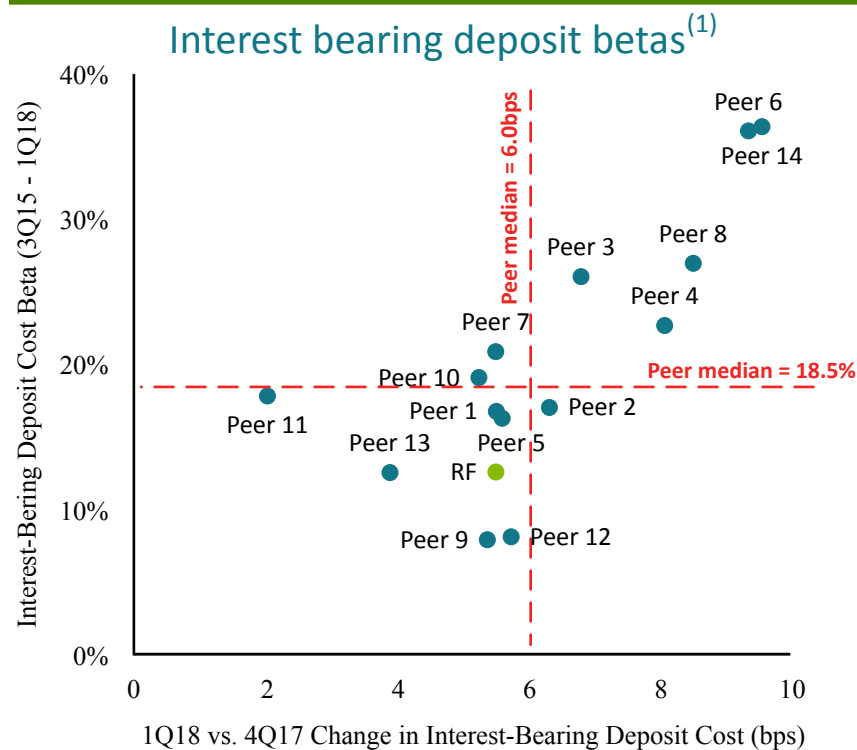
(1) Average Balances

(2) Source: SNL Financial; Peers includes BBT, CFG, CMA, FHN, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB and ZION.

(3) Private Wealth Management and Institutional Services deposits are combined into the Wealth Management Segment. Total Other segment deposits consists primarily of brokered deposits. A break-out of these components is provided in the Company's quarterly Earnings Supplement.

Deposit composition and pricing

(as of March 31, 2018)



- Regions' predominantly deposit funded balance sheet, which includes an attractive mix of low cost core deposits, provides for a competitive funding advantage against the peer set
 - 89% of liability funding is comprised of deposits, 4% above the peer group median
 - 37% of the deposit base is in non-interest bearing accounts, the third highest in the peer group
- This advantage is evidenced in the current rising rate cycle (3Q15 to 1Q18) through Regions' 13% cumulative deposit beta versus the peer median of 18.5%

(1) All peer data used is from the respective earnings report and has not been adjusted for M&A activity

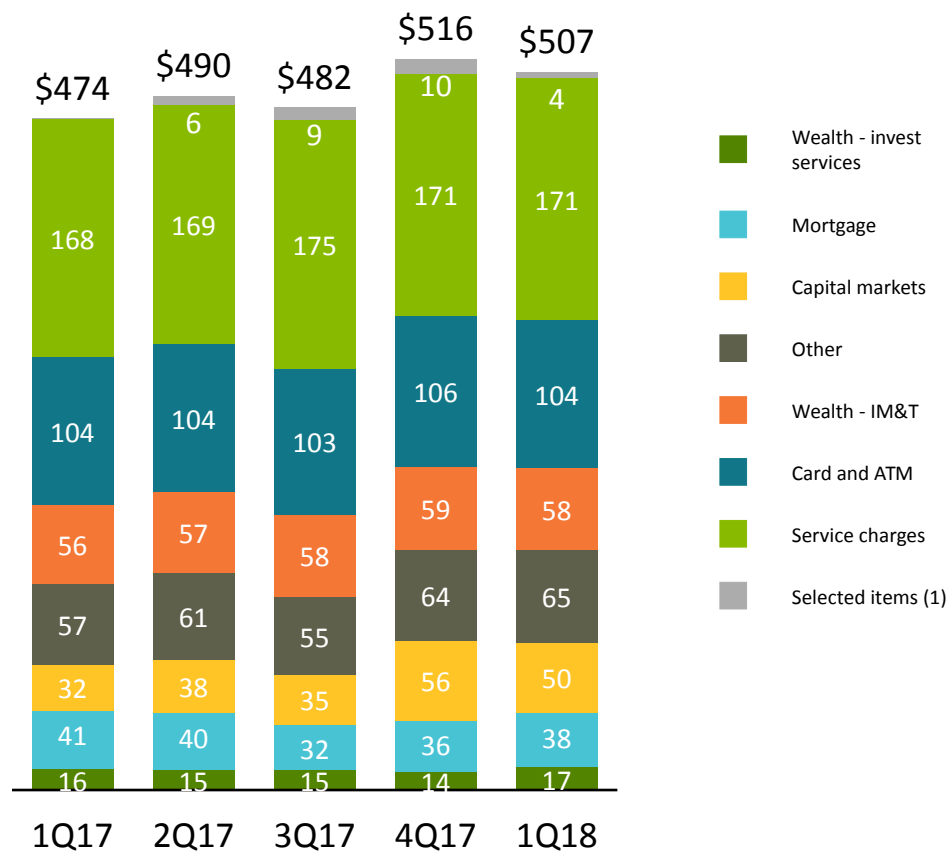
(2) Calculated using average balances in Q1 2018. Peers include: BBT, CFG, CMA, FHN, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB, ZION

FEE INCOME AND EFFICIENCIES

Well-positioned for non-interest income growth

Non-interest income

(\$ in millions)



1Q18 Results and Outlook

- Non-interest income decreased \$9 million; adjusted non-interest income⁽¹⁾ decreased \$3 million QoQ
 - Decline in capital markets and card & ATM fees partially offset by increase in mortgage income
 - 1Q18 includes \$6 million increase to the value of an equity investment and a \$7 million net gain on the sale of LIHTC investments offset by \$4 million net impairment charges related to the value of operating lease assets

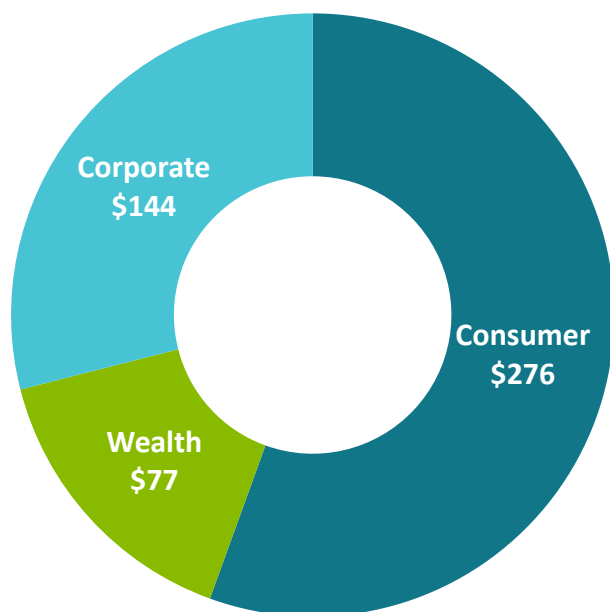
2018 Expectations: Adjusted non-interest income growth of 3%-6%

(1) Non-GAAP; see appendix for reconciliation

Diversified fee income

1Q18 Fee revenue by Segment⁽¹⁾

(\$ in millions)



Consumer

- Consumer fee income categories are an important and stable component of fee revenue and are expected to contribute to overall growth in 2018
- Service charges are expected to increase in 2018 consistent with growth in checking accounts and households
- Card and ATM fee growth is expected to continue consistent with growth in active cards and increased transactions

Wealth

- Continued growth in wealth management relationships, assets under management and improvement in equity markets are expected to contribute to 2018 income growth
 - 1Q18 investment services accounts increased 34% YoY
 - 1Q18 Wealth management relationships increased 27% YoY
 - 1Q18 assets under management increased 10% YoY

Corporate

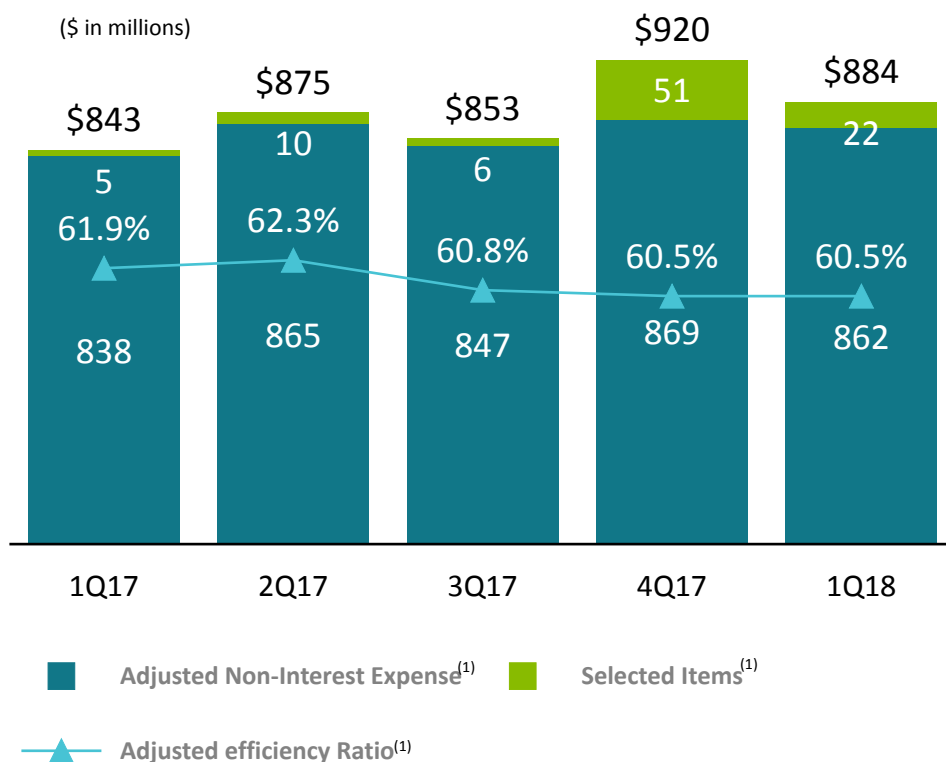
- Capital markets experienced a strong 1Q18, however, income declined from a record high 4Q17
- Although timing can be difficult to project, capital markets income is expected to be a significant contributor to adjusted non-interest income growth in 2018

(1) Excludes Other Segment fee revenue of \$10 million in 1Q18

Prudently managing expenses

Non-interest expenses

(\$ in millions)



1Q18 Results and Outlook

- Non-interest expense decreased \$36 million; adjusted non-interest expense⁽¹⁾ decreased \$7 million QoQ
 - Decrease in Visa class B shares expense and FDIC assessments, partially offset by modest increases in salaries and benefits and professional fees
- 1Q18 efficiency ratio 61.9%; adjusted efficiency ratio⁽¹⁾ stable at 60.5%
- 1Q18 effective tax rate was 23.6%

2018 Expectations: Full-year adjusted non-interest expense relatively stable; adjusted efficiency ratio <60%, adjusted operating leverage of 3%-5%, and effective tax rate in the 20-22% range

(1) Non-GAAP; see appendix for reconciliation

BALANCE SHEET

Prudently managing loans

Transitioning to growth

Average loans and leases

(\$ in billions)

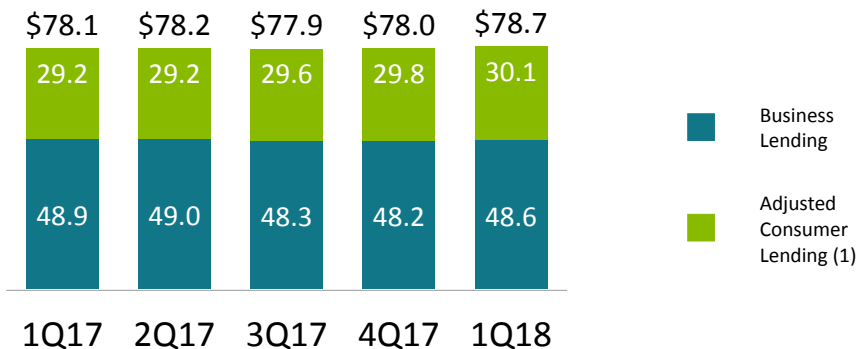


1Q18 Results

- Reported average loans increased modestly; adjusted average loans⁽¹⁾ increased \$620 million QoQ
 - Adjusted average consumer loans⁽¹⁾ increased \$157 million; growth in residential mortgage, indirect vehicles, indirect-other consumer, and credit card
 - Average business loans increased \$463 million; solid C&I growth partially offset by declines in owner-occupied commercial real estate and investor real estate

Adjusted average loans and leases⁽¹⁾

(\$ in billions)

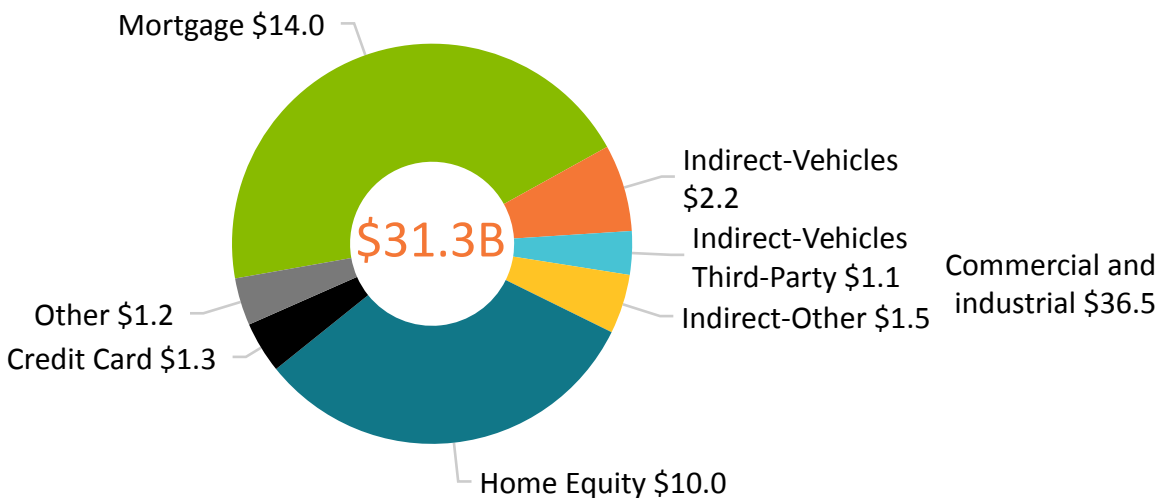


(1) Non-GAAP; see appendix for reconciliation

Average loan composition

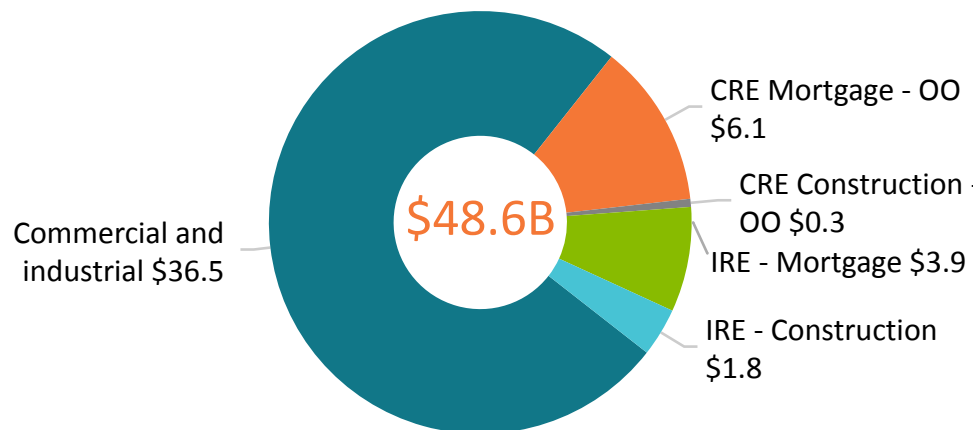
Average consumer loans⁽¹⁾

(\$ in billions)



Average business loans⁽¹⁾

(\$ in billions)



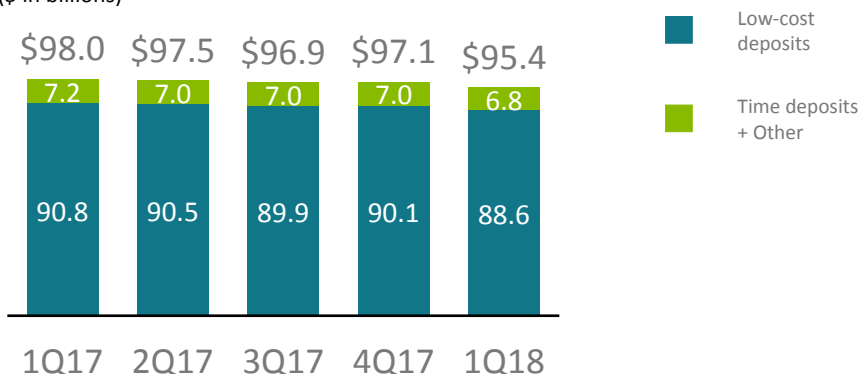
2018 Expectations: Full-year adjusted average loans expected to grow in the low single digits

(1) Average balances for 1Q18.

Solid deposit mix

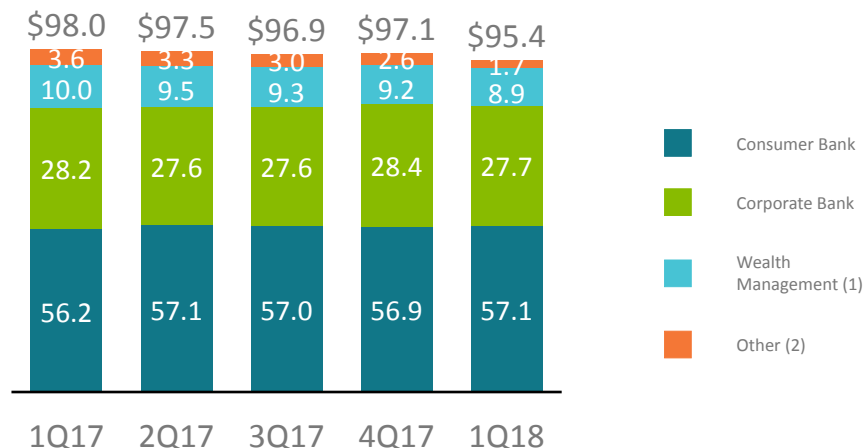
Average deposits by type

(\$ in billions)



Average deposits by segment

(\$ in billions)



(1) Wealth Management segment deposits include Private Wealth Management and Institutional Services deposits. A break-out of these components is provided in the Company's quarterly Earning Supplement.
 (2) Other deposits consist primarily of brokered deposits.

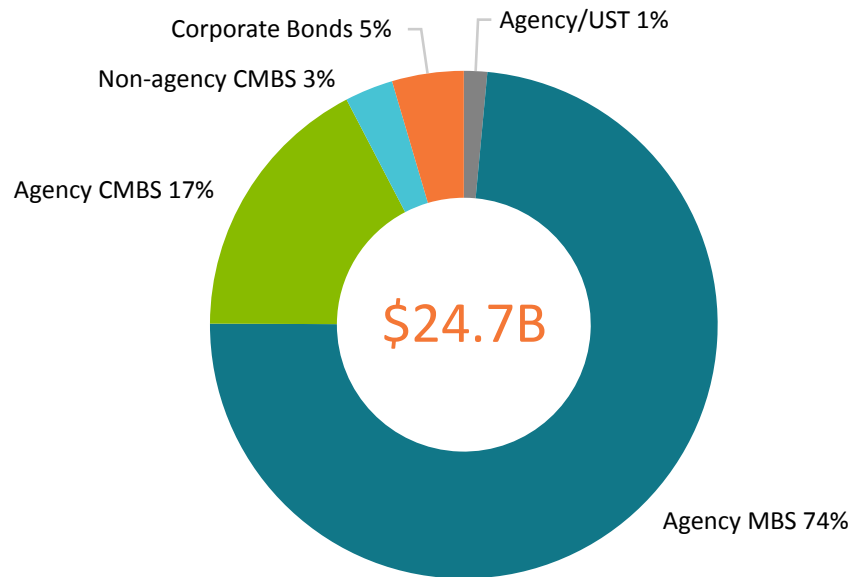
1Q18 Results and Outlook

- Average deposits decreased \$1.6 billion QoQ
 - Consumer deposits increased \$225 million
 - Seasonal decline in corporate deposits of \$690 million
 - Wealth management deposits decreased \$221 million; modest decline in interest-free and strategic reduction of certain collateralized deposits
 - Other deposits declined \$946 million; strategic reduction of retail brokered sweep deposits
- Deposit costs remained low at 21 basis points

2018 Expectations: Full-year average deposits are expected to grow in the low single digits, excluding brokered and Wealth Institutional Services deposits

Securities portfolio

Securities Portfolio Composition⁽¹⁾



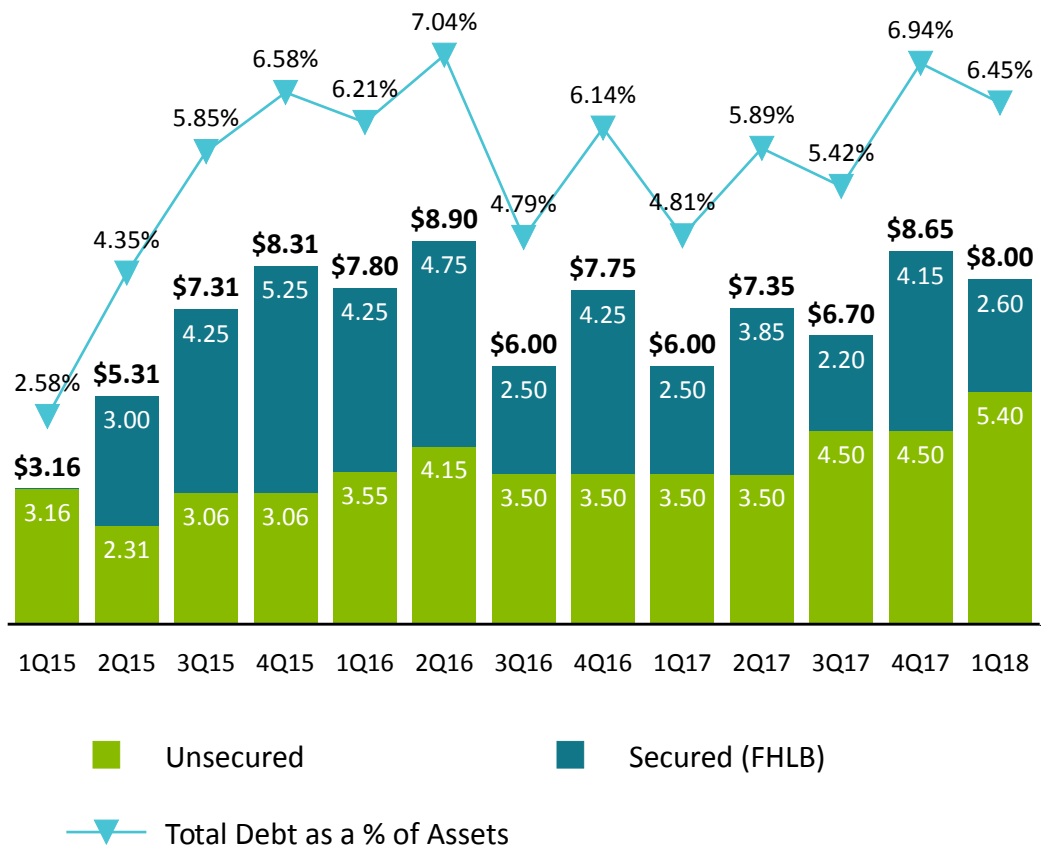
- Portfolio is managed within the construct of the overall balance sheet and risk management process
- Expected to perform well in a variety of economic environments
- Supportive of both regulatory and market liquidity objectives
- Selective when purchasing MBS - choose loan characteristics that offer prepayment protection while preserving upside in rising rate scenario
- Supplement MBS with bullet like assets such as Agency & Non-Agency CMBS and Investment Grade Corporate Bonds
- ~4.4yr duration with relatively modest extension risk from current levels
 - In a +200bps scenario duration remains below 5yrs

(1) Includes both AFS and HTM securities at 3/31/2018

Balance sheet optimization

Historical Debt Profile

(\$ in billions)



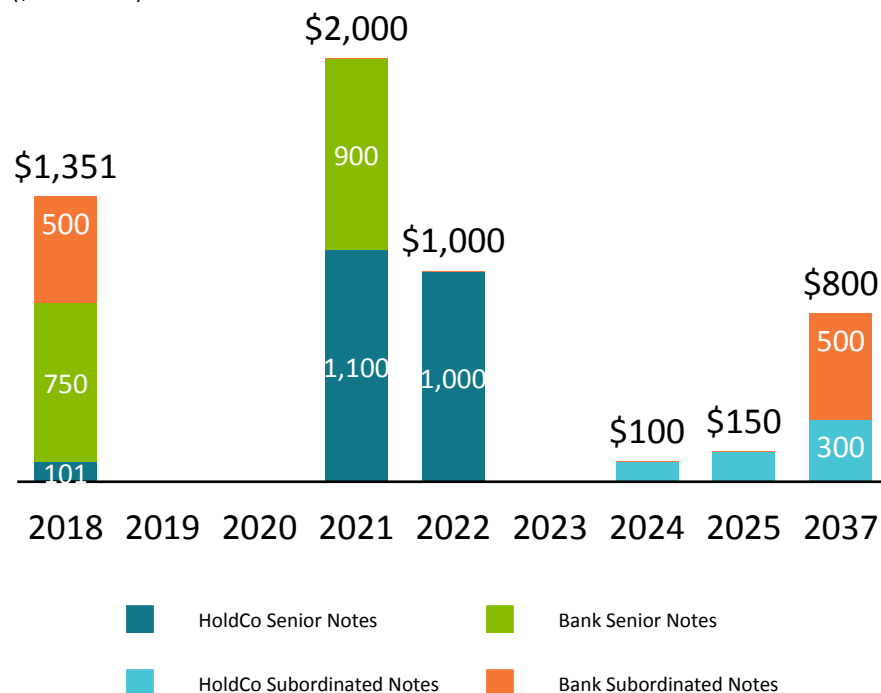
- Regions actively manages its debt profile in response to balance sheet changes and growth dynamics
- Regions' relatively modest wholesale funding footprint positions Regions well to utilize available funding sources to protect the deposit base
- In 1Q 2018, Regions issued \$900 million of senior unsecured bank notes
 - Reduces FDIC assessment expense
 - Improves diversified funding base
- At 3/31/18, weighted average interest rate for FHLB advances was 1.8% and weighted average of remaining maturities of 0.9 years

Note: Balances exclude valuation adjustments on hedged long-term debt and capital lease obligations.

Regions unsecured debt and credit ratings profile

Debt Maturity Profile

(\$ in millions)



Select Credit Ratings

Moody's

S&P

Fitch

Regions Financial Corporation

Senior Unsecured Debt	Baa2	BBB+	BBB+
Subordinated Debt	Baa2	BBB	BBB

Regions Bank

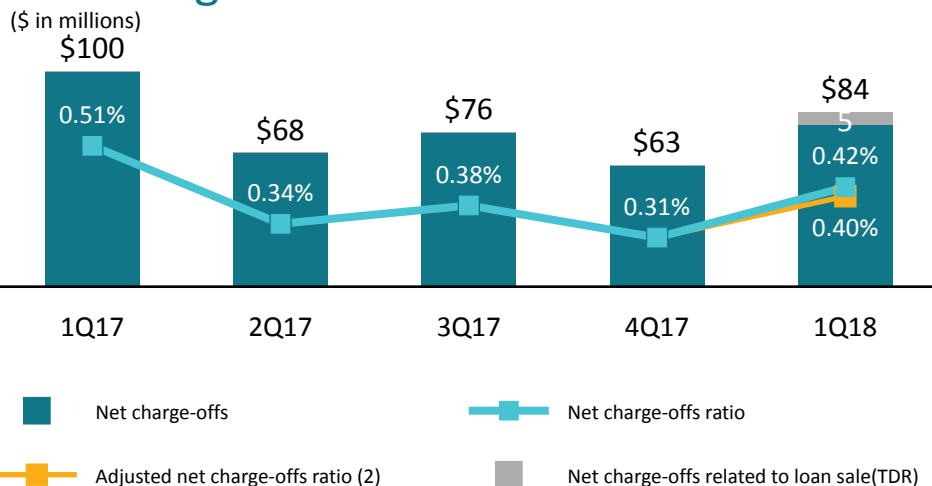
Senior Unsecured Debt	Baa2	A-	BBB+
Subordinated Debt	Baa2	BBB+	BBB

- Regions' unsecured wholesale debt footprint represents just 4.4% of 1Q 2018 average assets with Holding Company and Bank unsecured debt both making up 2.2% of 1Q 2018 average assets, respectively
- Regions maintains solid, investment grade ratings for both senior and subordinated unsecured debt at the Bank and Holding Company

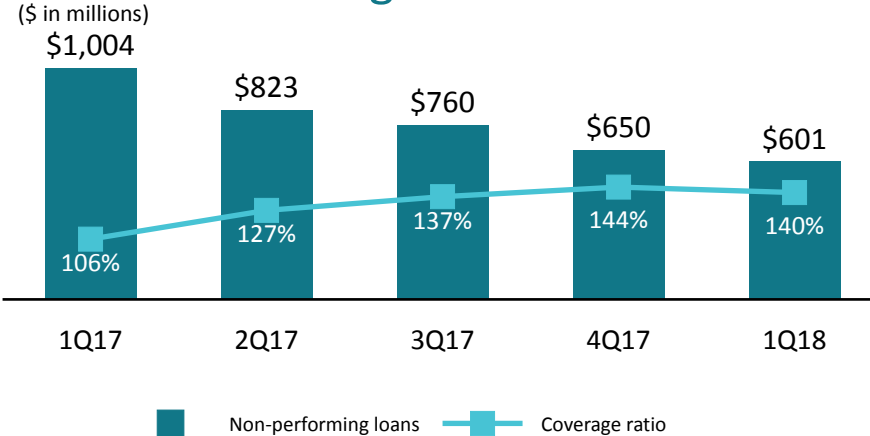
CREDIT

Stable asset quality outlook

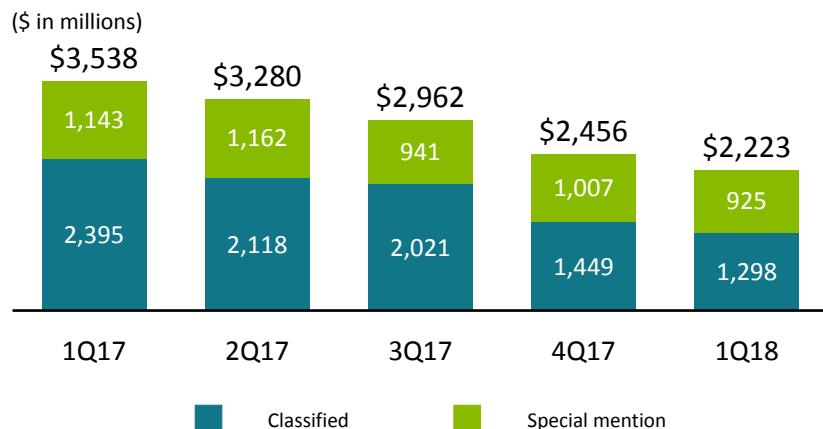
Net charge-offs and ratio



NPLs and coverage ratio⁽¹⁾



Criticized Business Loans



1Q18 Results and Outlook

- Broad-based asset quality improvement; non-performing loans, criticized, and troubled debt restructured loans all declined
- NPLs ⁽¹⁾ decreased 8% and represented 0.75% of loans outstanding, marking lowest level in over a decade
- Increase in adjusted net charge offs ⁽²⁾ primarily due to elevated 4Q17 recoveries
- Criticized business loans decreased 9% and troubled debt restructured loans decreased 13%
- Net charge-offs adjusted ⁽²⁾ for the residential mortgage loan sale (primarily TDRs) represent 40 bps of average loans

2018 Expectations: Net charge-offs of 35-50 bps; based on recent performance and current market conditions, expect to be at the lower end of the range

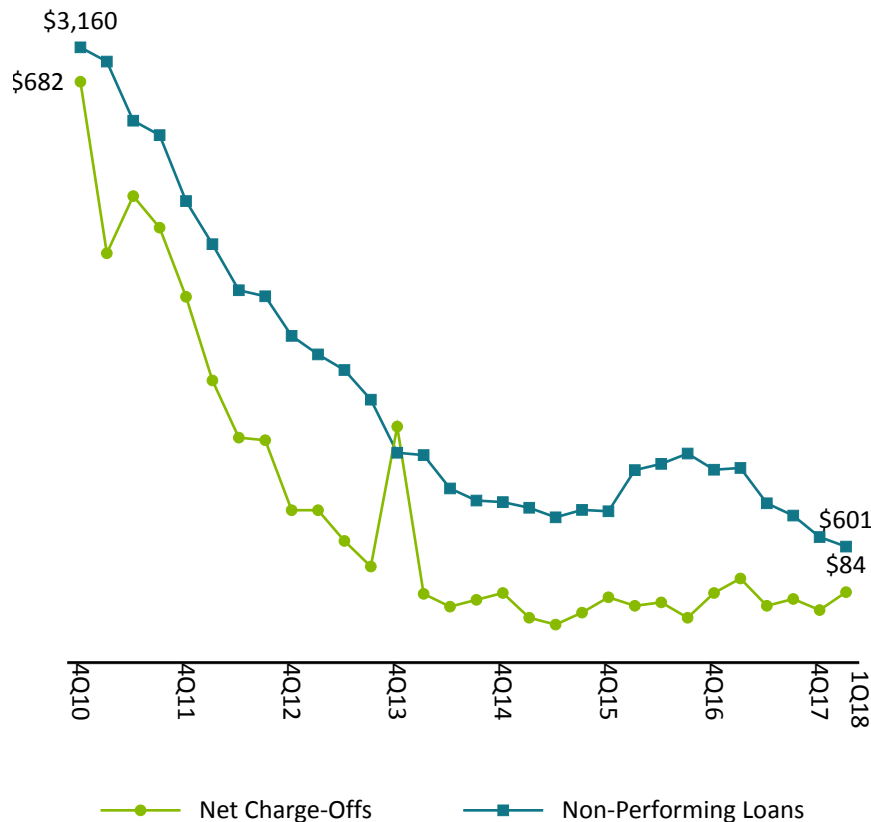
(1) Excludes loans held for sale

(2) Non-GAAP; see appendix for reconciliation

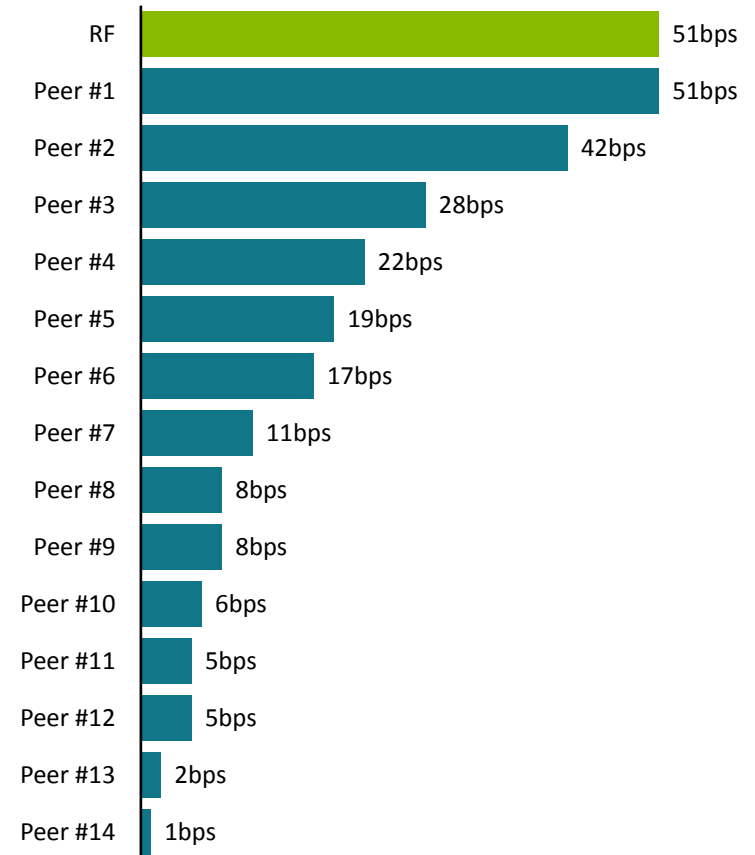
Changes in risk culture led to significant improvement in asset quality

Net Charge-Offs and NPLs⁽¹⁾ have significantly improved

(\$ in millions)



YoY Reduction in NPLs⁽¹⁾⁽²⁾ to Total Loans



(1) Excludes loans held for sale.

(2) Source: SNL Financial; Peers includes BBT, CFG, CMA, FHN, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB and ZION.

INNOVATION & TECHNOLOGY

Simplify and Grow: making it easier for customers and associates



Goal:

- Achieve sustainable, long-term growth
- Deliver a great customer experience at every touch point: digital and in-person
- Become more efficient and effective across the enterprise
- Appeal to the next generation of customer

Why:

- Customer expectations for fast, easy and now are growing
- Pace of technology change has accelerated driven by the smart phone
- Banking industry undergoing transformational change

Simplify and Grow

A three year journey



Making Banking Easier

- Digitization
- Loan process
- Account opening
- Streamline credit process; more digital; faster response

Organization Simplification

- Organizational structure review
- Spans and layers review
- Streamline committees and decision making

Revenue Growth

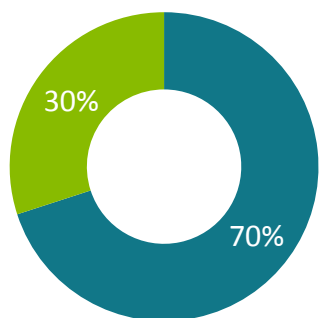
- Faster launch of new initiatives
- Advanced analytics to drive next best customer offers
- Channel optimization
- Digitization

Efficiency Improvements

- Robotics and artificial intelligence
- Shared services
- Branch and other facility consolidations
- Outsourcing

Simplify and Grow Progress Update

Initial Efficiency and Revenue Review



Through the initial review opportunities identified represent ~70% expense savings and ~30% revenue growth opportunities

Initiatives in Process



Artificial Intelligence



Process Automation

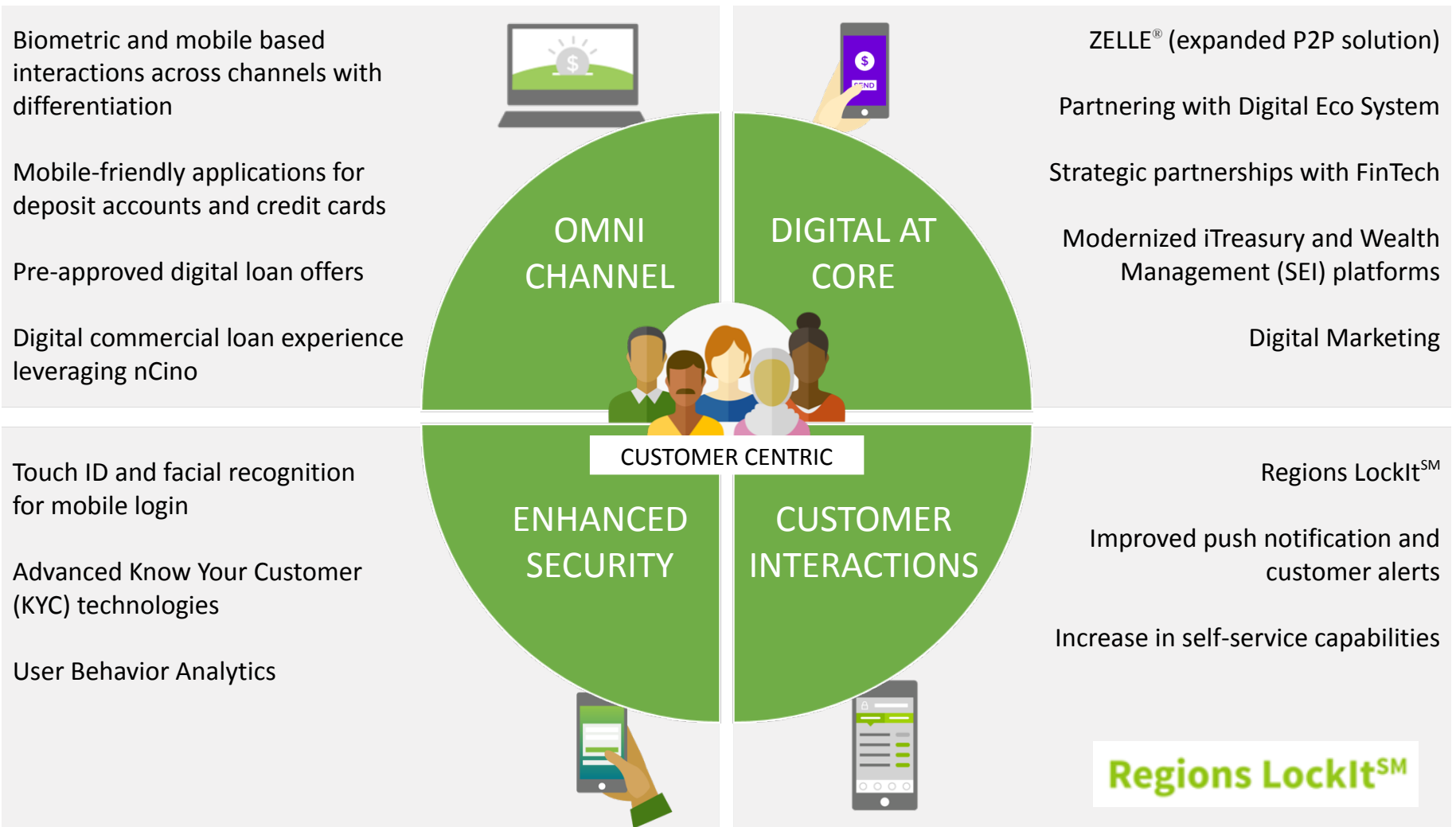


Spans and Layers

Accomplishments

- Announced organizational changes to streamline structure
 - 1Q18 FTE down 3% YoY
- Entered into an agreement to sell Regions Insurance Group
 - Improved efficiency ratio ~80 basis points
- Announced plans to further consolidate branch network ~30-40 in 2018
- Targeted de novos planned in key growth markets ~20 in 2018
 - St. Louis
 - Houston
 - Atlanta
- Sold \$254 million of primarily troubled debt restructured (TDR) residential mortgage loans

Making banking easier for our customers through digitization



All efforts focused on CUSTOMER JOURNEYS

Modern execution approach with 25% IT in Agile and DevOps

Automation

- Rolled out pre-approved consumer loan offers within online banking as well as eSignature capabilities
- Intelligent process automation through bots creating operational efficiencies in front and back offices



Artificial Intelligence

- Cognitive capabilities in the contact center improving customer experience and efficiency
- Cognitive chat functionality in development



Data Management and Advanced Analytics

- Data lake capabilities for all critical data
- Advanced analytics to improve lead management and location based analytics



Cloud Technologies

- More than 90% virtualization in private cloud
- API strategy deployed to further enable cloud integrations

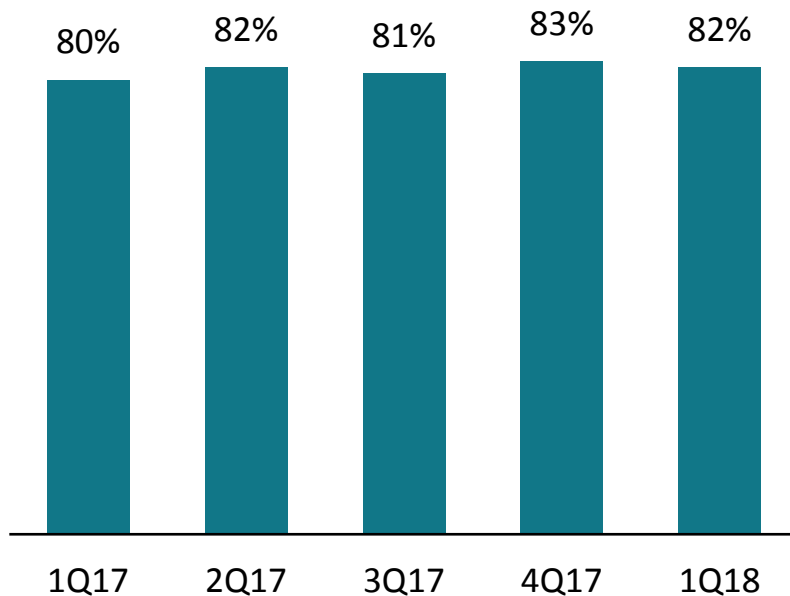


FOCUSED ON INCREASED SPEED TO MARKET

CAPITAL & LIQUIDITY

Solid liquidity

Loan-to-deposit ratio⁽¹⁾

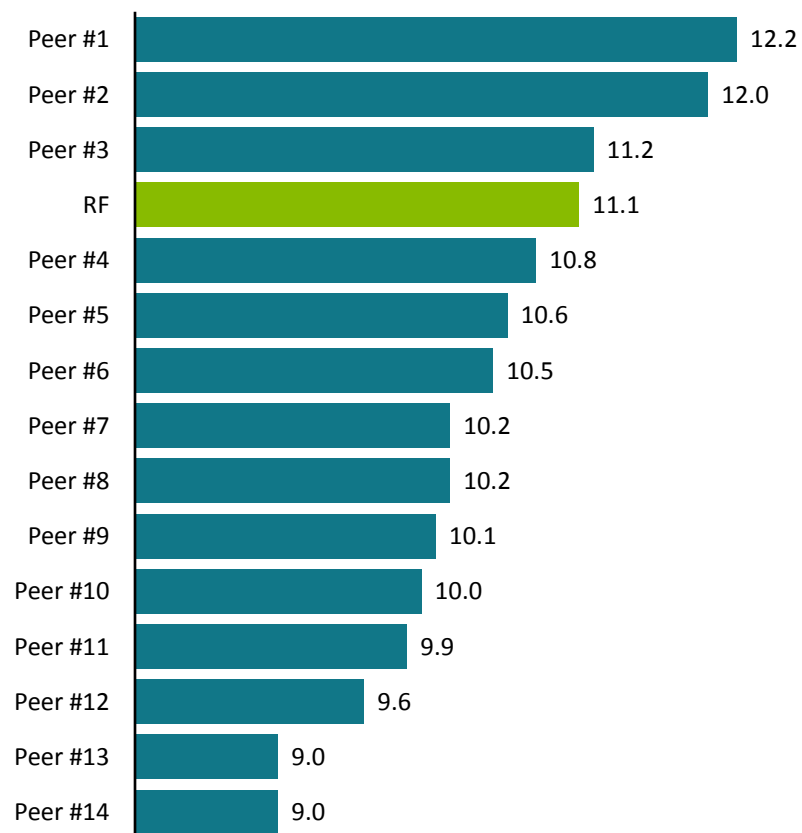


- Regions has a strong, core funded balance sheet resulting in a low loan-to-deposit ratio
- Future debt maturities are manageable and allow for efficient re-financing
- Regions' liquidity policy requires that the holding company maintain at least 18 months coverage of maturities, debt service and other cash needs
 - Management targets 24 months coverage
- Bank wholesale funding requirements will be largely dictated by the relative performance of loan and deposit growth

(1) Based on ending balances

Strong capital levels

Basel III Common Equity Tier 1 Ratio⁽¹⁾



Capital Priorities



**Organic
Growth**



**Strategic
Investments**



Dividends



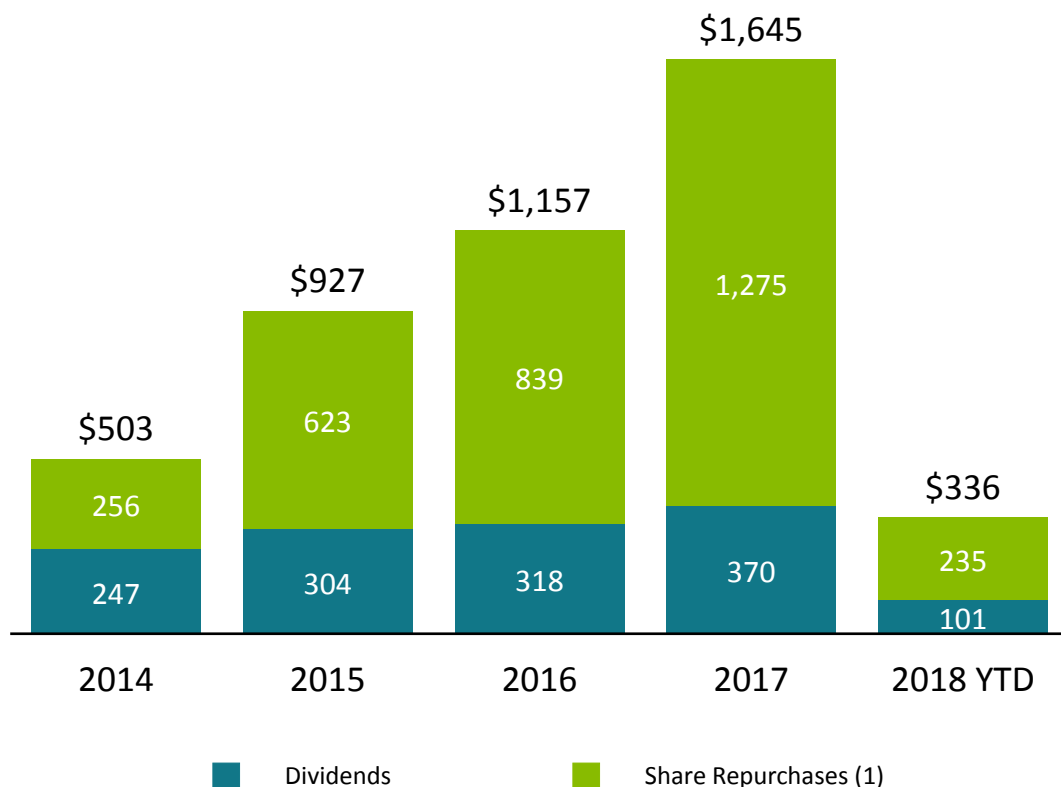
**Share
Repurchases**

⁽¹⁾ Current quarter ratio is estimated. Ratios are as of 3/31/18. Peers includes BBT, CFG, CMA, FHN, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB and ZION. Source: SNL Financial

Robust capital returns

Capital Returned to Shareholders

(\$ in millions)

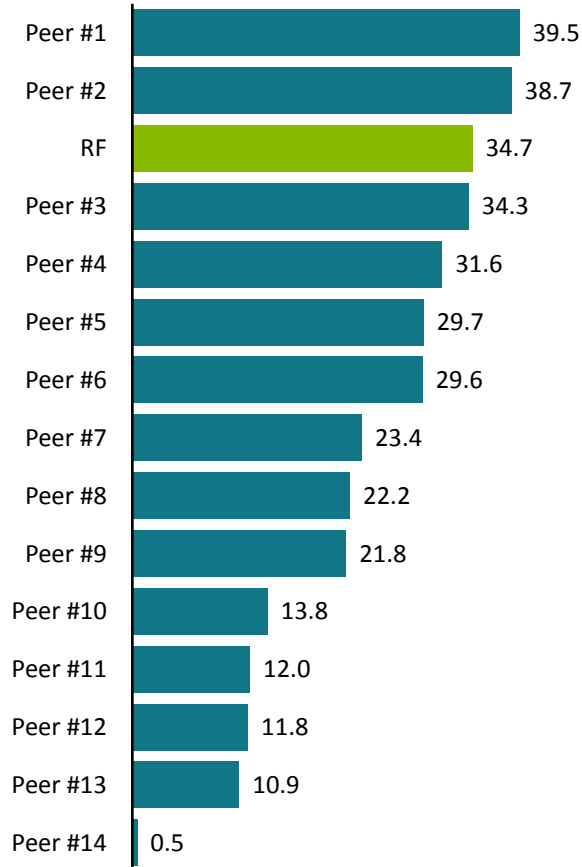


- Remain committed to target CET1 ratio of 9.5% based on current risk in our balance sheet
- Repurchased \$235 million or 12.5 million shares of common stock in 1Q18, and declared \$101 million in dividends to common shareholders
- Subject to approval, sale of insurance subsidiary is expected to close in 3Q18 and generate ~\$300 million of additional capital; expected to be used to repurchase shares
- Sufficient capital to support organic growth, strategic investments, and a robust return to shareholders

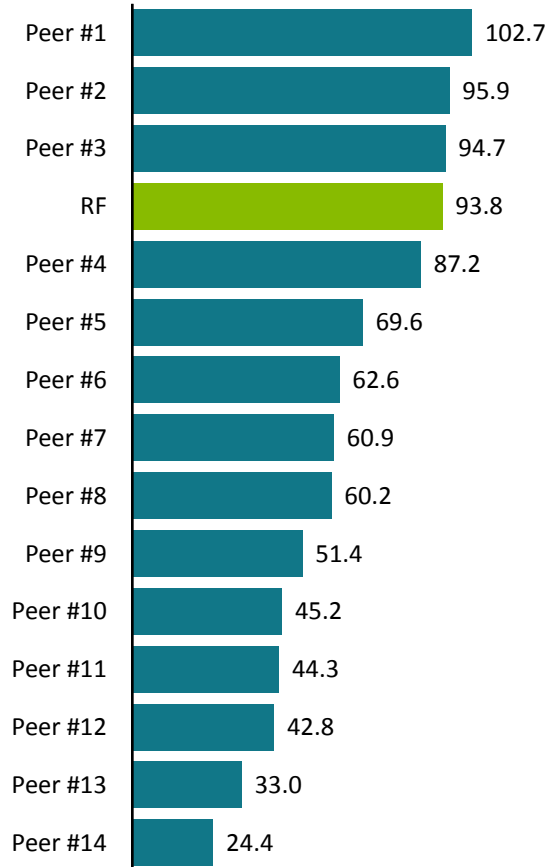
(1) Includes fees associated with open market share repurchases.

Solid total shareholder returns

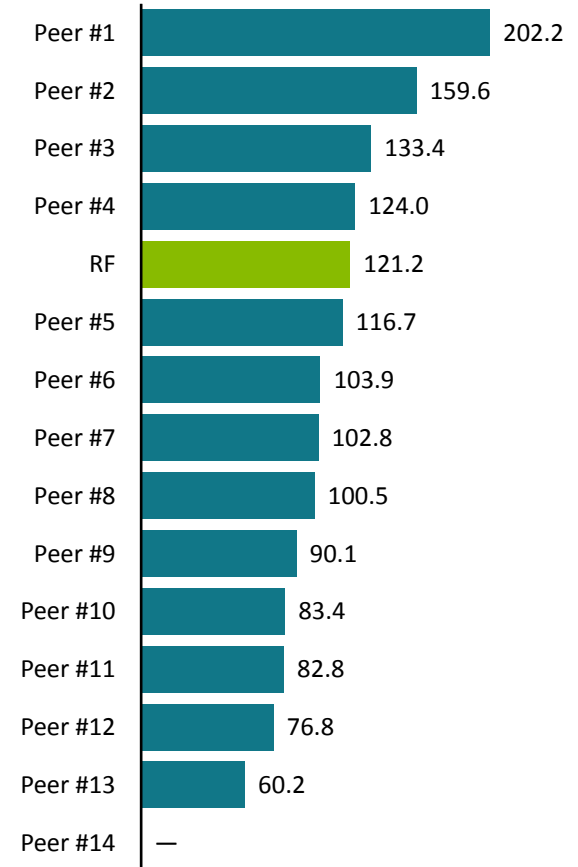
1 Year⁽¹⁾



3 Year⁽¹⁾



5 Year⁽¹⁾



(1) Total shareholder return data as of 5/31/2018. Peers include BBT, CFG (Publicly traded as of 2015), CMA, FITB, HBAN, HWC, KEY, MTB, PNC, SNV, STI, USB, FHN and ZION. Source - Bloomberg

LONG-TERM TARGETS & 2018 EXPECTATIONS

Managing for long-term performance

Opportunities to drive growth and efficiencies



Asset Sensitivity

Significant funding advantage driven by low-cost deposit base, accretive fixed-rate reinvestments



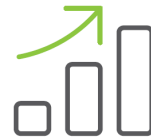
Capital Return

Capital sufficient for organic growth, strategic opportunities, robust shareholder returns



Stable Asset Quality

Broad-based credit metric improvements



Efficiency Opportunities

Identify and execute additional opportunities to increase revenues and reduce expenses through



2018 expectations

- Adjusted ROATCE of 14 to 16%⁽¹⁾⁽²⁾
- Full-year adjusted average loans are expected to grow in the low single digits⁽¹⁾
- Full-year average deposits are expected to grow in the low single digits, excluding brokered and Wealth Institutional Services deposits⁽³⁾
- Adjusted operating leverage of approximately 3% - 5%⁽¹⁾
 - Adjusted net interest income and other financing income (non-FTE) growth of 4% - 6%⁽¹⁾
 - Adjusted non-interest income growth of 3% - 6%⁽¹⁾
 - Adjusted non-interest expenses relatively stable⁽¹⁾
 - Adjusted efficiency ratio < 60%⁽¹⁾
- Effective income tax rate of 20-22%
- Net charge-offs of 35-50 bps⁽⁴⁾

(1) The reconciliation with respect to forward-looking non-GAAP measures is expected to be consistent with actual non-GAAP reconciliations included in attached appendix or previous filings with the SEC.

(2) This long-term target has been updated to reflect the impact of corporate income tax reform.

(3) Private Wealth Management and Institutional Services deposits are combined into the Wealth Management Segment. Total Other segment deposits consists primarily of brokered deposits. A break-out of these components is provided in the Company's quarterly Earnings Supplement.

(4) Based on recent performance and current market conditions, we expect to be at the lower end of the range.

Long-term financial targets

Strategic Initiatives

GROW AND DIVERSIFY REVENUE

DISCIPLINED EXPENSE MANAGEMENT

EFFECTIVELY DEPLOY CAPITAL

2016 - 2018 long-term financial targets

Adjusted EPS growth of 12-15% (CAGR)⁽¹⁾

Adjusted efficiency ratio of <60%⁽¹⁾

Adjusted ROATCE 14-16%⁽¹⁾⁽²⁾

(1) Non-GAAP; the reconciliation with respect to forward-looking non-GAAP measures is expected to be consistent with actual non-GAAP reconciliations included in attached appendix or previous filings with the SEC.

(2) Adjusted ROATCE target was reset from 12-14% to 14-16% for 2018 as a result of tax reform.

CORPORATE GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

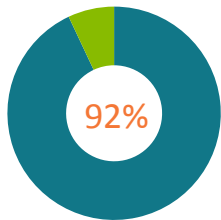
Corporate governance

The company understands that good governance is the foundation of sustainable business and good decision making is necessary for creating shareholder value over the long term.

Board of Directors

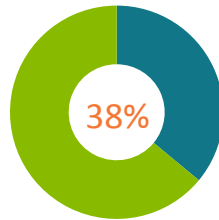
Our Corporate Governance Principles affirm that the Board will seek members from diverse professional and demographic backgrounds, who combine a broad spectrum of experience and expertise with a reputation for integrity, to ensure the the Board maintains an appropriate mix of skills and characteristics to meet the needs of the company.

Independence



Diversity

Based on gender, ethnic, or sexual orientation



Compensation Principles

Create a balanced, performance-based compensation philosophy that is properly aligned with strategic and financial objectives and supports the company's risk appetite and tolerance.

Engagement

- We take a long-term view of how we create value, and we take a similar approach to corporate governance shareholder engagement.
- Regions is committed to constructive and meaningful communications with our shareholders and building ongoing relationships over time.
- We consider proper shareholder engagement to be a continuous relationship throughout the year through in-person meetings, phone calls, and email updates.
- Engaging with our shareholders and soliciting their points of view is critical to providing long-term value to all of the company's stakeholders.

Corporate Governance Enhancements

- Enhanced board oversight for environmental and social responsibility
- Adopted proxy access
- Appointed a Chief Governance Officer, CSR analyst, and Associate Conduct Officer
- Enhanced director recruitment criteria to consider diversity
- Strengthened the board self-evaluation process
- Brought more balance among our newer, mid-tenured, and seasoned directors
- Strengthened the company's corporate social responsibility function

Corporate social responsibility



Communities

- Commitment to community development
Invested \$2.96 billion
- Support our communities
Contributed \$40 million to the Regions Foundation and over \$11 million in charitable giving
- Promote financial wellness
Presented 90,000 financial education seminars
- Associates invest time in the communities
Over 77,700 volunteer hours



Associates

- Invest in our associates
Increased entry-level wage to \$15 per hour
- Engage our associates
Received Gallup Great Workplace Award for 4th year in a row
- Focus on diversity and inclusion
Training, recruitment, and succession planning
- Significant training and leadership development
Over 1 million hours of associate training in 2017



Customers

- Serve the unbanked and underbanked
Commitment to providing access to safe and reliable financial services to all
- Fair and responsible banking
Relationship banking that puts the customer first
- Meet customer needs
Winner of 2017 American Customer Satisfaction Index for Superregional Banks



Environment

- Operate efficiently
Reduced electricity consumption by 35% since 2008 and reduced internal paper use by 25% since 2014
- Invest in renewables
Provided financing for \$347 million solar projects

NON-GAAP & FORWARD LOOKING STATEMENTS

Non-GAAP reconciliation: NII/NIM, non-interest income/expense, operating leverage and efficiency ratio

The table below and on the following page present computations of the net interest margin; efficiency ratio, which is a measure of productivity, generally calculated as non-interest expense divided by total revenue; and the fee income ratio, generally calculated as non-interest income divided by total revenue. Management uses these ratios to monitor performance and believes these measures provide meaningful information to investors. Non-interest expense (GAAP) is presented excluding certain adjustments to arrive at adjusted non-interest expense (non-GAAP), which is the numerator for the efficiency ratio. Net interest income and other financing income (GAAP) on a taxable-equivalent basis is presented excluding certain adjustments related to tax reform to arrive at adjusted net interest income and other financing income on a taxable-equivalent basis (non-GAAP). Non-interest income (GAAP) is presented excluding certain adjustments to arrive at adjusted non-interest income (non-GAAP), which is the numerator for the fee income ratio. Net interest income and other financing income on a taxable-equivalent basis and non-interest income are added together to arrive at total revenue on a taxable-equivalent basis. Adjustments are made to arrive at adjusted total revenue on a taxable-equivalent basis (non-GAAP), which is the denominator for the fee income and efficiency ratios. Regions believes that the exclusion of these adjustments provides a meaningful base for period-to-period comparisons, which management believes will assist investors in analyzing the operating results of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of Regions' business. It is possible that the activities related to the adjustments may recur; however, management does not consider the activities related to the adjustments to be indications of ongoing operations. The table on the following page presents a computation of the operating leverage ratio (non-GAAP) which is the period to period percentage change in adjusted total revenue on a taxable-equivalent basis (non-GAAP) less the percentage change in adjusted non-interest expense (non-GAAP). Regions believes that presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as that applied by management.

		Quarter Ended									
		3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	1Q18 vs 4Q17	1Q18 vs 1Q17			
(\$ amounts in millions)											
Non-interest expense (GAAP)	A	\$ 884	\$ 920	\$ 853	\$ 875	\$ 843	\$ (36)	(3.9)%	\$ 41	4.9 %	
Adjustments:											
Contribution to Regions' charitable foundation associated with tax		—	(40)	—	—	—	40	(100.0)%	—	NM	
Branch consolidation, property and equipment charges		(3)	(9)	(5)	(7)	(1)	6	(66.7)%	(2)	200.0 %	
Expenses associated with residential mortgage loan sale		(4)	—	—	—	—	(4)	NM	(4)	NM	
Salary and employee benefits—severance charges		(15)	(2)	(1)	(3)	(4)	(13)	NM	(11)	275.0 %	
Adjusted non-interest expense (non-GAAP)	B	\$ 862	\$ 869	\$ 847	\$ 865	\$ 838	\$ (7)	(0.8)%	\$ 24	2.9 %	
Net interest income and other financing income (GAAP)	C	\$ 909	\$ 901	\$ 897	\$ 882	\$ 859	8	0.9 %	50	5.8 %	
Reduction in leveraged lease interest income resulting from tax reform		—	6	—	—	—	(6)	(100.0)%	—	NM	
Adjusted net interest income and other financing income (non-GAAP)	D	\$ 909	\$ 907	\$ 897	\$ 882	\$ 859	2	0.2 %	50	5.8 %	
Net interest income and other financing income (GAAP)		\$ 909	\$ 901	\$ 897	\$ 882	\$ 859	8	0.9 %	50	5.8 %	
Taxable-equivalent adjustment		13	23	23	22	22	(10)	(43.5)%	(9)	(40.9)%	
Net interest income and other financing income, taxable-equivalent basis	E	\$ 922	\$ 924	\$ 920	\$ 904	\$ 881	\$ (2)	(0.2)%	\$ 41	4.7 %	
Reduction in leveraged lease interest income resulting from tax reform		—	6	—	—	—	(6)	(100.0)%	—	NM	
Adjusted net interest income and other financing income, taxable equivalent basis (non-GAAP)	F	\$ 922	\$ 930	\$ 920	\$ 904	\$ 881	\$ (8)	(0.9)%	\$ 41	4.7 %	
Net interest margin (GAAP)		3.46%	3.37%	3.36%	3.32%	3.25%					
Reduction in leveraged lease interest income resulting from tax reform		—	0.02	—	—	—					
Adjusted net interest margin (non-GAAP)		3.46%	3.39%	3.36%	3.32%	3.25%					
Non-interest income (GAAP)	G	\$ 507	\$ 516	\$ 482	\$ 490	\$ 474	\$ (9)	(1.7)%	\$ 33	7.0 %	
Adjustments:											
Securities (gains) losses, net		—	(10)	(8)	(1)	—	10	(100.0)%	—	NM	
Leveraged lease termination gains		(4)	—	(1)	—	—	(4)	NM	(4)	NM	
Gain on sale of affordable housing residential mortgage loans		—	—	—	(5)	—	—	NM	—	NM	
Adjusted non-interest income (non-GAAP)	H	\$ 503	\$ 506	\$ 473	\$ 484	\$ 474	\$ (3)	(0.6)%	\$ 29	6.1 %	
Total revenue	C+G=I	\$ 1,416	\$ 1,417	\$ 1,379	\$ 1,372	\$ 1,333	\$ (1)	(0.1)%	\$ 83	6.2 %	
Adjusted total revenue (non-GAAP)	D+H=J	\$ 1,412	\$ 1,413	\$ 1,370	\$ 1,366	\$ 1,333	\$ (1)	(0.1)%	\$ 79	5.9 %	
Total revenue, taxable-equivalent basis	E	\$ 1,429	\$ 1,440	\$ 1,402	\$ 1,394	\$ 1,355	\$ (11)	(0.8)%	\$ 74	5.5 %	
Adjusted total revenue, taxable-equivalent basis (non-GAAP)	F+H=L	\$ 1,425	\$ 1,436	\$ 1,393	\$ 1,388	\$ 1,355	\$ (11)	(0.8)%	\$ 70	5.2 %	
Operating leverage ratio (GAAP)	K-A									0.6 %	
Adjusted operating leverage ratio (non-GAAP)	L-B									2.3 %	
Efficiency ratio (GAAP)	A/K	61.9%	63.9%	60.9%	62.8%	62.2%					
Adjusted efficiency ratio (non-GAAP)	B/L	60.5%	60.5%	60.8%	62.3%	61.9%					
Fee income ratio (GAAP)	G/K	35.5%	35.9%	34.3%	35.2%	35.0%					
Adjusted fee income ratio (non-GAAP)	H/L	35.3%	35.3%	33.9%	34.9%	35.0%					

NM - Not Meaningful

Non-GAAP reconciliation continued: NII/NIM, non-interest income/expense, operating leverage and efficiency ratio

		Year Ended December 31			
		2017	2016	2017 vs. 2016	
(\$ amounts in millions)					
Non-interest expense (GAAP)	M	\$ 3,491	\$ 3,483	\$ 8	0.2 %
Adjustments:					
Contribution to Regions' charitable foundation associated with tax reform		(40)	—	(40)	NM
Professional, legal and regulatory expenses		—	(3)	3	(100.0)%
Branch consolidation, property and equipment charges		(22)	(58)	36	(62.1)%
Loss on early extinguishment of debt		—	(14)	14	(100.0)%
Salary and employee benefits—severance charges		(10)	(21)	11	(52.4)%
Adjusted non-interest expense (non-GAAP)	N	\$ 3,419	\$ 3,387	\$ 32	0.9 %
Net interest income and other financing income (GAAP)	O	\$ 3,539	\$ 3,397	\$ 142	4.2 %
Reduction in leveraged lease interest income resulting from tax reform		6	—	6	NM
Adjusted net interest income and other financing income (non-GAAP)	P	\$ 3,545	\$ 3,397	\$ 148	4.4 %
Net interest income and other financing income (GAAP)		3,539	3,397	\$ 142	4.2 %
Taxable-equivalent adjustment		90	84	6	7.1 %
Net interest income and other financing income, taxable-equivalent basis	Q	\$ 3,629	\$ 3,481	\$ 148	4.3 %
Reduction in leveraged lease interest income resulting from tax reform		6	—	6	NM
Adjusted net interest income and other financing income, taxable equivalent basis (non-GAAP)	R	\$ 3,635	\$ 3,481	\$ 154	4.4 %
Non-interest income (GAAP)	S	\$ 1,962	\$ 2,011	\$ (49)	(2.4)%
Adjustments:					
Securities (gains) losses, net		(19)	(6)	(13)	216.7 %
Insurance proceeds		—	(50)	50	(100.0)%
Leveraged lease termination gains		(1)	(8)	7	(87.5)%
Gain on sale of affordable housing residential mortgage loans		(5)	(5)	—	— %
Adjusted non-interest income (non-GAAP)	T	\$ 1,937	\$ 1,942	\$ (5)	(0.3)%
Total revenue	O+S=U	\$ 5,501	\$ 5,408	\$ 93	1.7 %
Adjusted total revenue (non-GAAP)	P+T=V	\$ 5,482	\$ 5,339	\$ 143	2.7 %
Total revenue, taxable-equivalent basis	Q+S=W	\$ 5,591	\$ 5,492	\$ 99	1.8 %
Adjusted total revenue, taxable-equivalent basis (non-GAAP)	R+T=X	\$ 5,572	\$ 5,423	\$ 149	2.7 %
Operating leverage ratio (GAAP)	W-M				1.6 %
Adjusted operating leverage ratio (non-GAAP)	X-N				1.8 %
Efficiency ratio (GAAP)	M/W	62.4%	63.4%		
Adjusted efficiency ratio (non-GAAP)	N/X	61.4%	62.5%		
Fee income ratio (GAAP)	S/W	35.1%	36.6%		
Adjusted fee income ratio (non-GAAP)	T/X	34.8%	35.8%		

NM - Not Meaningful

Non-GAAP reconciliation: adjusted average loans

Regions believes adjusting total average loans for the impact of the first quarter 2018 residential first mortgage loan sale and the indirect vehicles third-party exit portfolio, provides a meaningful calculation of loan growth rates and presents them on the same basis as that applied by management.

Adjusted Average Balances of Loans (non-GAAP)

	Average Balances								
(\$ amounts in millions)	1Q18	4Q17	3Q17	2Q17	1Q17	1Q18 vs. 4Q17		1Q18 vs. 1Q17	
Total consumer loans	\$ 31,272	\$ 31,367	\$ 31,327	\$ 31,147	\$ 31,234	\$ (95)	(0.3)%	\$ 38	0.1 %
Less: Balances of residential first mortgage loans sold ⁽¹⁾	164	254	254	254	254	(90)	(35.4)%	(90)	(35.4)%
Less: Indirect—vehicles third-party	1,061	1,223	1,406	1,611	1,835	(162)	(13.2)%	(774)	(42.2)%
Adjusted total consumer loans (non-GAAP)	\$ 30,047	\$ 29,890	\$ 29,667	\$ 29,282	\$ 29,145	\$ 157	0.5 %	\$ 902	3.1 %
Total Loans	\$ 79,891	\$ 79,523	\$ 79,585	\$ 80,110	\$ 80,178	368	0.5 %	(287)	(0.4)%
Less: Balances of residential first mortgage loans sold ⁽¹⁾	164	254	254	254	254	(90)	(35.4)%	(90)	(35.4)%
Less: Indirect—vehicles third-party	1,061	1,223	1,406	1,611	1,835	(162)	(13.2)%	(774)	(42.2)%
Adjusted total loans (non-GAAP)	\$ 78,666	\$ 78,046	\$ 77,925	\$ 78,245	\$ 78,089	\$ 620	0.8 %	\$ 577	0.7 %

(1) Adjustments to average loan balances assume a simple day-weighted average impact for the first quarter of 2018, and are equal to the ending balance of the residential first mortgage loans sold for the prior periods.

NM - Not Meaningful.

Forward-looking statements

Forward-Looking Statements

This release may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which reflect Regions' current views with respect to future events and financial performance. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. These risks, uncertainties and other factors include, but are not limited to, those described below:

- Current and future economic and market conditions in the United States generally or in the communities we serve, including the effects of declines in property values, unemployment rates and potential reductions of economic growth, which may adversely affect our lending and other businesses and our financial results and conditions.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations, which could have a material adverse effect on our earnings.
- The effects of a possible downgrade in the U.S. government's sovereign credit rating or outlook, which could result in risks to us and general economic conditions that we are not able to predict.
- Possible changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital and liquidity.
- Any impairment of our goodwill or other intangibles, any repricing of assets, or any adjustment of valuation allowances on our deferred tax assets due to adverse changes in the economic environment, declining operations of the reporting unit, adverse consequences related to tax reform, or other factors.
- The effect of changes in tax laws, including the effect of Tax Reform and any future interpretations of or amendments to Tax Reform, which may impact our earnings, capital ratios and our ability to return capital to shareholders.
- Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans and leases, including operating leases.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan losses where our allowance for loan losses may not be adequate to cover our eventual losses.
- Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.
- Loss of customer checking and savings account deposits as customers pursue other, higher-yield investments, which could increase our funding costs.
- Possible changes in consumer and business spending and savings habits and the related effect on our ability to increase assets and to attract deposits, which could adversely affect our net income.
- Our ability to effectively compete with other financial services companies, some of whom possess greater financial resources than we do and are subject to different regulatory standards than we are.
- Our inability to develop and gain acceptance from current and prospective customers for new products and services in a timely manner could have a negative impact on our revenue.
- Our inability to keep pace with technological changes could result in losing business to competitors.
- Changes in laws and regulations affecting our businesses, including legislation and regulations relating to bank products and services, as well as changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies, which could require us to change certain business practices, increase compliance risk, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- Our ability to obtain a regulatory non-objection (as part of the CCAR process or otherwise) to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or redeem preferred stock or other regulatory capital instruments, may impact our ability to return capital to stockholders and market perceptions of us.
- Our ability to comply with stress testing and capital planning requirements (as part of the CCAR process or otherwise) may continue to require a significant investment of our managerial resources due to the importance and intensity of such tests and requirements.
- Our ability to comply with applicable capital and liquidity requirements (including, among other things, the Basel III capital standards and the LCR rule), including our ability to generate capital internally or raise capital on favorable terms, and if we fail to meet requirements, our financial condition could be negatively impacted.
- The effects of any developments, changes or actions relating to any litigation or regulatory proceedings brought against us or any of our subsidiaries.
- The costs, including possibly incurring fines, penalties, or other negative effects (including reputational harm) of any adverse judicial, administrative, or arbitral rulings or proceedings, regulatory enforcement actions, or other legal actions to which we or any of our subsidiaries are a party, and which may adversely affect our results.
- Our ability to manage fluctuations in the value of assets and liabilities and off-balance sheet exposure so as to maintain sufficient capital and liquidity to support our business.

Forward-looking statements continued

- Our ability to execute on our strategic and operational plans, including our ability to fully realize the financial and non-financial benefits relating to our strategic initiatives.
- The risks and uncertainties related to our acquisition or divestiture of businesses.
- The success of our marketing efforts in attracting and retaining customers.
- Our ability to recruit and retain talented and experienced personnel to assist in the development, management and operation of our products and services may be affected by changes in laws and regulations in effect from time to time.
- Fraud or misconduct by our customers, employees or business partners.
- Any inaccurate or incomplete information provided to us by our customers or counterparties.
- Inability of our framework to manage risks associated with our business such as credit risk and operational risk, including third-party vendors and other service providers, which could, among other things, result in a breach of operating or security systems as a result of a cyber attack or similar act or failure to deliver our services effectively.
- Dependence on key suppliers or vendors to obtain equipment and other supplies for our business on acceptable terms.
- The inability of our internal controls and procedures to prevent, detect or mitigate any material errors or fraudulent acts.
- The effects of geopolitical instability, including wars, conflicts and terrorist attacks and the potential impact, directly or indirectly, on our businesses.
- The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes, and environmental damage, which may negatively affect our operations and/or our loan portfolios and increase our cost of conducting business.
- Changes in commodity market prices and conditions could adversely affect the cash flows of our borrowers operating in industries that are impacted by changes in commodity prices (including businesses indirectly impacted by commodities prices such as businesses that transport commodities or manufacture equipment used in the production of commodities), which could impair their ability to service any loans outstanding to them and/or reduce demand for loans in those industries.
- Our ability to identify and address cyber-security risks such as data security breaches, malware, “denial of service” attacks, “hacking” and identity theft, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information; disruption or damage to our systems; increased costs; losses; or adverse effects to our reputation.
- Our ability to realize our adjusted efficiency ratio target as part of our expense management initiatives.
- Possible downgrades in our credit ratings or outlook could increase the costs of funding from capital markets.
- The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally could require us to change certain business practices, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- The effects of the failure of any component of our business infrastructure provided by a third party could disrupt our businesses; result in the disclosure of and/or misuse of confidential information or proprietary information; increase our costs; negatively affect our reputation; and cause losses.
- Our ability to receive dividends from our subsidiaries could affect our liquidity and ability to pay dividends to stockholders.
- Changes in accounting policies or procedures as may be required by the FASB or other regulatory agencies could materially affect how we report our financial results.
- Other risks identified from time to time in reports that we file with the SEC.
- Fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated.
- The effects of any damage to our reputation resulting from developments related to any of the items identified above.

The foregoing list of factors is not exhaustive. For discussion of these and other factors that may cause actual results to differ from expectations, look under the captions “Forward-Looking Statements” and “Risk Factors” of Regions’ Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC.

The words “future,” “anticipates,” “assumes,” “intends,” “plans,” “seeks,” “believes,” “predicts,” “potential,” “objectives,” “estimates,” “expects,” “targets,” “projects,” “outlook,” “forecast,” “would,” “will,” “may,” “might,” “could,” “should,” “can,” and similar terms and expressions often signify forward-looking statements. We assume no obligation to update or revise any forward-looking statements that are made from time to time.

Regions’ Investor Relations contact is Dana Nolan at (205) 264-7040; Regions’ Media contact is Evelyn Mitchell at (205) 264-4551.

